



MEETING MINUTES
FINANCE & ADMINISTRATION SUB-COMMITTEE
Wednesday, August 21, 2024 – 7:00 AM
Location – City Hall, Training Room, Second Floor

Present: Councilmember Greg Hudson, Councilmember Doug Loots, Executive Assistant Kaitlyn Royer, Finance Director Tim Stiles, City Manager Tom Hadden, Deputy City Manager Jamie Letzring*, Accounting Associate Jenny Buffington*, City Engineer Brian Hemesath, Deputy City Attorney Jessica Grove, Budget Analyst Chris Hamlett, Director of Community & Economic Development Ryan Moffatt, Business Development Coordinator Brad Munford, Housing & Community Development Manager Christine Gordon, Parks & Recreation Director Ryan Penning, Procurement Coordinator Kelvin Unemin*, City Attorney Greta Truman*, Executive Assistant Jennie Rohe*

*Via Microsoft Teams

Guests:

Mick Grossman (Item 3)

Jill Sarcone (Item 3)

Meeting was called to order at 7:00 AM.

1. Welcome/Guest Sign In/ Meeting Minutes from previous meeting of August 8, 2024

The councilmembers had no corrections and received the meeting minutes from August 8, 2024.

Councilmember Doug Loots notified the committee that he is no longer in support of the pay increase for the Mayor and City Council, an item that was discussed at the August 8 meeting.

2. Initiation of Coachlight Urban Renewal Area Expansion & Bridgewood Boulevard Cost Share (Ryan Moffatt)

Ryan Moffatt brought forward discussion regarding the Coachlight Urban Renewal Area. Discussion has been ongoing with the developer of Pavilion Park LLC (Bill Spencer). Spencer notified staff months ago of the Waukee Community School District's intent to purchase approximately 100 acres of property for a future planned third Waukee High School campus.

Since that time, staff has been working with the school district and Spencer on an infrastructure package for the extension of EP True Parkway and Bridgewood Boulevard across the area. The City is agreeable to fund the construction of EP True Parkway using Tax Increment Financing revenues but would like to see a cost-sharing arrangement for future Bridgewood Boulevard. To fund the city's portion of the public improvement costs, the existing Coachlight Urban Renewal Area would be expanded to include this area and these street projects.

The estimated cost to construct the segment of EP True Parkway is around \$15 million. For the segment of Bridgewood Boulevard, the city is proposing to enter into a 3-way cost share agreement between the school district, developer, and the city. Total project costs for this street segment are estimated to be \$7.2 million with the cost share amounts determined by the percentage of property ownership frontage along the planned street.



Staff is in front of the committee requesting direction on whether to proceed with the expansion of the Coachlight Drive Urban Renewal Area, and for a recommendation on the proposed cost share agreement for Bridgewood Boulevard.

The councilmembers were supportive of both the Coachlight Urban Renewal Area expansion & the Bridgewood Boulevard cost sharing agreement. These items will be moving forward to Council during upcoming meetings for review and consideration.

3. 3535 Westown Parkway Purchase (Ryan Moffatt/Christine Gordon)

Ryan Moffatt and Christine Gordon presented a potential action plan related to the vacant property located at 3535 Westown Parkway (former Valley West Inn).

The City has been approached by the property's primary owner (Jill Sarcone) to gauge the City's interest in purchasing the property for the purpose of future redevelopment. Moffatt explained that this site has had a multitude of issues and is a key site to help with revitalization of this area. A handful of developers have come-and-gone, exploring different options for the site, but never were able to make it work financially, and chose to let their purchase options for the property lapse. One housing redevelopment concept for this property came before the Finance Committee earlier this year, and at that time, the Committee was supportive of providing gap financing assistance in the form of economic development grants to contribute funding toward a workforce housing project on the site.

Moffatt explained that an appraisal was completed in early August 2024 and listed a fair market value price of \$1.4 million for the property. A mix of funding sources would be utilized to purchase the property, including \$425,000 from Community Development Block Grant (CDBG) Funds which must be spent on housing, \$600,000 could come from the LMI set-aside funds from the Woodland Hills Urban Renewal Area, and the balance of \$375,000 could come from the city's General Fund.

Moffatt and the CED staff have developed a strategy where the city could purchase the property at fair market value. Because the buildings are demolished on the site, there would be minimal maintenance costs associated with the property until the timing works out to sell the property to a developer.

The intent for purchase would be to create a Request for Proposals with the hope that multiple developers would respond with their best offer and project for the site. It could consist of construction of all multi-family workforce housing or some mixed-use development with commercial and residential on this site. The developers would be asked to list their proposed purchase price for the property from the city.

Councilmember Doug Loots likes the fact this is out of the box but what he doesn't like is the fact this is risky, and we are getting into a business that the city has not normally been in. His concern is also that developers could collude to give the city a low price. Councilmember Greg Hudson said he is also worried about the risk. The suggested possibly taking an option from Sarcone, then completing the RFP prior to purchasing the property outright. Sarcone was not receptive to that idea, saying that their group is looking to sell outright and did not want to tie the property up for a length of time with options.



Moffatt mentioned that it would be important to pay attention to the timing of the RFP. When interest rates are higher, development is suppressed. He also mentioned that within the RFP, we can put our desired outcomes and goals for redevelopment so that it is clear what the city wishes to have happen. A potential hurdle is the zoning for the area, and whether a developer can propose something that is outside of current zoning. If the purchase of the property is authorized, city staff may take the lead on initiating the zoning to a Planned Unit Development with lesser minimum building setbacks and allowance for more density.

City Manager Tom Hadden liked the concept and was intrigued, but also said staff may need to do more due diligence and be very thoughtful moving forward, due to all the potential moving parts.

The council members would like to look at the purchase of 3535 Westown Parkway again after concepts are more refined, so the instructed staff to complete more due diligence and the item will be reconsidered at a future meeting.

4. Property Improvement Fund (PIF) & Regulatory Compliance Fund (RCF) Award Recommendations (Brad Munford & Ryan Moffatt)

Brad Munford presented the results of a recent solicitation and review of applications for the City's Property Improvement Fund (PIF) & Regulatory Compliance Fund (RCF). An eighth round of funding for these programs was included in the current budget, this time the area was expanded beyond the Historic West Des Moines (Valley Junction) area to add in a small portion of the 8th Street (Uptown) corridor.

- A total of \$130,000 was allocated to the 8th Street corridor programs.
- A total of \$400,000 was allocated to the Historic West Des Moines program.
- An additional \$213,000 is in unused funds from previous Valley Junction rounds added to the Historic West Des Moines fund's budget.
- In total, the City has \$743,000 available for PIF and RCF funding between the two area.

Staff began accepting applications for funding under the two programs.

- Valley Junction- a total of \$266,751 was requested for the PIF loan and \$461,443 from the RCF Fund totaling \$728,194.
- 8th Street Corridor, requests totaled \$150,000 each from the PIF loan and the RCF Fund totaling \$300,000.

The members of the Due Diligence Committee met to evaluate and score the applications and the committee has discretion to make recommendations determining which applications to fund, and the total amount awarded. The Committee decided to award 100% funding to applications scoring above 29.1 points, 75% funding for projects scoring between 22 and 29 points, and 50% funding for projects scoring between 18 and 21.1 points. The Due Diligence Committee is asking the Finance Subcommittee to forward their recommendation of approval to the full City Council.

The councilmembers were supportive of the Property Improvement Fund (PIF) & Regulatory Compliance Fund (RCF) Award Recommendations. This will be placed on the September 3 Council agenda for further review and consideration.

5. Staff Updates



Tim Stiles- The non-union compensation study that went to Council on Monday is now back to staff. He indicated that there are two immediate tasks:

- a. Build the system to accommodate the changes that don't involve additional dollars.
- b. Prepare analysis and assess the additional funds needed to bring employees in line with the study recommendations.

6. Other Matters

Doug Loots spoke on economic development and annexation plans for the city, specifically as they relate to bordering cities of Waukee and Norwalk.

Meeting was adjourned at 8:16AM. The meeting was recorded through Microsoft Teams.

Respectfully Submitted,

Kaitlyn Royer

Kaitlyn Royer
Recording Secretary