



MEETING MINUTES
FINANCE & ADMINISTRATION SUB-COMMITTEE
Wednesday, October 9, 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, 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*, Parks & Recreation Director Ryan Penning, Procurement Coordinator Kelvin Unemin*, Executive Assistant Jennie Rohe*, Housing & community Development Manager Christine Gordon, City Manager Tom Hadden

*Via Microsoft Teams

Guests: None

Meeting was called to order at 7:00AM.

1. Welcome/Guest Sign In/ Meeting Minutes from previous meeting of September 18, 2024

The councilmembers had no corrections and approved the meeting minutes from September 18, 2024.

2. Amendment to Keystone on 8th/JCG Holdings Development Agreement (Gordon/Moffatt)

Christine Gordon provided an update on potential amendments to the Keystone on 8th (JCG Holdings) Development Agreement, which involve two separate agreements with JGC Holdings, LLC. Developer Joe Cordaro has requested amendments for both agreements.

Phase I of the project (first building) has been completed and is now operational. This mixed-use development features commercial space on the ground floor and 42 units of affordable housing in the upper stories. Mr. Cordaro is experiencing challenges in leasing the commercial space and has requested a transition to residential use. This transition will require an amendment to the development agreement, as well as an extension of the deadline for completing all elements of the agreement, pushing it to September 1, 2025. Development Services has expressed no concerns regarding this transition.

Phase II (second building) has not yet been constructed. Cordero was attempting to sell the project to Hubbell Realty, and Hubbell submitted a tax credit application for development but did not receive funding, so the deal fell through. As JCG's development agreement with the city has already expired as of September 1, 2024, an extension is needed to continue the deal.

Staff suggests that the parties revise the development agreement, allowing Cordaro to potentially sell to another developer. The city has pushed this out so they will re-think the development agreement and likely let this agreement lapse and create a new agreement. The minimum assessment agreement will remain unchanged and will be valid for a period of 10 years. Staff will recalculate rebate figures for Phase II to reflect the all-residential plan.

Council members expressed their support for the amendment and changed plans to the Keystone on 8th/JCG Holdings Development Agreements, and this matter will be scheduled for discussion at a future council meeting.



3. Hotel/Motel Tax Grant Procedures and Policies (Stiles/Hamlett)

Doug Loots initiated the conversation by emphasizing his experience with the Hotel/Motel Tax application over the past couple of years. He stressed the importance of conducting due diligence when providing funding to private organizations, ensuring that these entities are legitimate and compliant with state code.

Tim Stiles offered a brief overview of the history of the Hotel/Motel Tax application process, detailing the evolution that has led to the current framework. He explained that the City aims to ask more specific questions, which results in a longer and more detailed application than in previous years. The application formatting is currently under review, and high-level changes have been suggested, including:

- Requirement for applicants to provide a Business Entity Certificate of Existence (Business ID Number).
- Submission of a letter from the IRS confirming nonprofit status, if applicable.
- Proposed requirement for audited financial statements or other documentation tracking revenue, such as the most recent tax return.
- Preference for capital improvements and events that attract visitors.

Doug suggested that instead of having businesses present their funding requests, City staff should make funding recommendations based on the applications submitted. These recommendations would be forwarded to Greg Hudson and himself for review before being presented to the Council.

Greg Hudson expressed his preference for seeing applicants in person, as this allows for verification of their commitment and effort. Stiles proposed a hybrid approach: staff could review the written applications and create a list of recommendations, with the option for selected applicants to present in person. They discussed requiring organizations to present at a Council meeting if they are requesting more than \$50,000.

Council members expressed their support for the changes to the Hotel/Motel application process but would like a bit of additional time to consider. The conversation regarding the requirement for organizations to present at the F&A meeting in January has been tabled and will resume at a future F&A meeting.

4. June 2024 FEMA Disaster Grant (Stiles)

Tim Stiles informed the committee that since the F&A packet was distributed, the City has received confirmation of approval for the FEMA Grant. This grant will be presented at a future Council Meeting for acceptance.

Tim emphasized that working with FEMA involves a detailed process. The City will receive approximately \$265,000 related to the storm that occurred on May 21, 2024. Without this grant, the City would have had to cover these costs from the general fund. He explained that staff had rented the necessary equipment and trucks, using Public Service staff for pickup, as well as hiring contractors for chipping, mulching, and debris removal, noting that this is not funded through an enterprise fund.

Council members expressed their support for the June 2024 FEMA Disaster Grant, which will be included on a future Council agenda for acceptance.



5. 2025 Finance and Administration Sub-Committee Schedule (Stiles)

Greg Hudson highlighted that March 2025 has have five Mondays and proposed moving the Council Meeting and Finance & Administration (F&A) meeting from the week of March 17 to the week of March 24, as many members will be unavailable due to local schools' spring break. Chris Hamlett agreed, noting regardless of any other decisions, a special Council meeting will need to take place the week of March 24 to conduct a public hearing for the proposed property tax levy rate.

Tim Stiles will coordinate with City Clerk Ryan Jacobson on this schedule change. Tim also mentioned that the three F&A meetings planned for January may be subject to change, pending plans for the Hotel/Motel Tax application process.

Schedule will be finalized at a future F&A meeting.

6. Staff Updates

- **Tim Stiles**
 - Auditors are on site this week with a focus on grant compliance.
- **Ryan Penning**
 - Ryan raised the topic of public art funding, particularly in relation to the recent discussions on Hotel/Motel funding.
 - When the commission was established in 2011, it was determined that a maximum of \$120,000 would be allocated to public art from Hotel/Motel funds, a figure that has not changed in 13 years.
 - Two years ago, there was a request for \$150,000, but there was confusion regarding whether this amount was intended as an annual allocation or a one-time request.
 - It was pointed out that artist fees are rising, and the Parks Department is currently spending \$50,000 on temporary art installations around the pond and murals on Jordan Creek.
 - Given new opportunities, such as the Legacy Woods project, he suggested considering an increase in annual funding from \$120,000 to \$150,000.

7. Other Matters

Doug Loots mentioned that he wanted to ensure that the applicants receiving Hotel/Motel funds are not counting on this money every year and assuming this will be guaranteed, and making sure they have income sources other than the Hotel/Motel Tax Fund

Meeting was adjourned at 8:02 AM. The meeting was recorded through Microsoft Teams.

Respectfully Submitted,

Kaitlyn Royer

Kaitlyn Royer
Recording Secretary