Called to Order
Laurenti called the meeting to order at 7:02 a.m.

Approve Minutes
Motion by Caesar, seconded by Buskerud and carried unanimously to approve the minutes of the May 2, 2018 meeting.

Park Hill Development Inc. (18TIF002)
Horton reviewed the proposed boundary map and advised that the property would be subdivided to allow duplexes, townhomes and an apartment building. She reviewed the base valuations, photographs, project costs, public improvements, project revenues, amortization schedule and taxable valuations. She identified the proposed location of the residential structures, the detention pond, sidewalks and landscaping improvements and noted that the remaining property to the north would be developed at a later time. She explained that according to the Amortization Schedule, the approximate payoff of the district would be 13 years.

Horton reminded the Committee that the State requirements and the Tax Increment Financing Policy Checklist need to be taken into consideration when determining the appropriate action on the proposed application. She identified the items checked by the applicant on the checklist and noted that the Committee needs to take into consideration whether the property located in the proposed district boundary is blighted. Horton commented that some of the issues that need to be addressed is the non-expansive soils, the construction of sidewalks and the landscaping improvements. She noted that for certification purposes, separate bid schedules should be in the bid documents to identify construction costs for different components of the development. Horton added that the lot sales and rental revenue need to meet the Affordable Workforce Housing requirements.

Horton informed the Committee that they can recommend approval as per staff recommendation, recommend approval with changes or recommend denial of the tax increment district. She added that if the Committee recommends denial, the applicant can submit an appeal to the Planning Commission.

Caesar requested clarification on the lot sale numbers on the Proforma and the lot and structure sale numbers in the Revenue Projections. McNaboe explained that the revenue projections
include the sales of some lots with structures and some as lots only. He added that at this time the developer is not sure how many of the lots will be sold with structures.

Caesar expressed her opinion that using the two different numbers makes it difficult to determine the need for the tax increment district.

In response to a question from Caesar, Marshall reviewed the approximate selling cost for completed duplexes and townhomes. He added that the revenues from the sale of the lots and the lots with structures will be used to pay off the tax increment district.

Marshall reviewed pictures of the neighboring industrial properties. He added that screening and landscaping will be constructed between the residential and industrial properties. He reviewed the different phases of development in this area and noted that without public assistance, this phase of development would not be feasible.

In response to Laurenti’s question regarding the costs for non-expansive soils, Horton advised that they are included in the grading costs.

In response to a question from Laurenti, Horton stated that the Proforma is a tool that staff uses to determine if a development is economically feasible and meets the criteria for a tax increment district. She noted that the new tax increment procedures and criteria which are still in the review stage will also assist staff in analyzing tax increment district applications.

In response to a question from Laurenti, Horton advised that the proposed tax increment district would pay off in approximately 13 years. She noted that State statute allows a 20 year payoff for a tax increment district. She added that the Committee can add a stipulation for the length of the tax increment district.

In response to Laurenti’s question regarding project costs, Horton advised that the landscaping, sidewalks, crosswalk connection, drainage improvements, grading and infill are all above the normal costs to complete the proposed development.

In response to a question from Laurenti, Marshall advised that the financing rate at the time of the application was 5.5 percent.

Drury inquired as to why the Discretionary Criteria on the Tax Increment Financing Checklist suggests that the project meets several of the criteria.

Young explained that the policy procedures are being amended to firm up the policy and to come up with specific findings to ensure that the project meets the tax increment district criteria and that the project needs funding. He added that the criteria supports the necessity for the district.

Caesar stated that she supports infill but questioned the process staff uses to determine the effectiveness of the tax increment districts.

Horton commented that staff does not have the ability at this time to determine the effectiveness of each district but that the proposed changes to the policy will assist staff in the future.
LaCroix expressed concern with the expense of the soils and how to follow up to ensure that the developers are using the appropriate soils. He added that he supports the cleanup of this area but does not want the homeowners to be responsible for foundation failure.

Horton advised that the motion could include a recommendation that staff work with the applicant on the soils to ensure that they meet the certification requirements.

Janak moved to recommend denial of the application as submitted for Park Hill Development and to direct the applicant to submit a revised application to staff for review. The motion was seconded by Buskerud and carried unanimously.

There being no further business to come before the Committee, Buskerud moved, LaCroix seconded and motion carried unanimously to adjourn the meeting at 7:49 a.m.