

MINUTES – FINANCE AND ECONOMIC DEVELOPMENT COMMITTEE MEETING

February 21, 2012
South Conference Room
21630 11th Avenue South, Des Moines, WA

Council Members

Chair Bob Sheckler-Chair
Matt Pina
Carman Scott

City Staff

Tony Piasecki – City Manager
Grant Fredricks – PBPW Director
Marion Yoshino – Economic Development Mgr
Robert Ruth – Development Services Manager
Paula Henderson – Finance Director
Jason Sullivan – Senior Planner
Joe Dusenbury – Harbormaster

1. Call to Order

Meeting called to order at 5:02 pm by Chair Sheckler.

2. Economic Development Update

ED Manager Yoshino discussed a meeting she had with Mr. Ed Young, a local property owner who hopes to build a hotel on his property on Pacific Highway. Mr. Young indicated that he thought the hotel/motel tax incentive would help with efforts to market projects using the EB-5 program.

3. Institutional Campus Zoning Policy Discussion

Senior Planner Jason Sullivan presented and summarized the draft ordinance for the Committee's consideration. One key policy issue is whether or not to have the hearing examiner approve master plans for either institutional zones or business spark zones. The Committee directed that the ordinance go forward with the hearing examiner having approval authority.

4. Master Builders Association Breakfast 2/16/12 Debrief

Everyone agreed that the Master Builders Association breakfast held on February 16th went very well.

5. Jail Costs

City Manager Tony Piasecki and Finance Director Paula Henderson brief the Committee on the situation with anticipated 2012 jail costs. When putting together the 2012 budget, staff assumed that jail costs would be based on the City's 2011 average daily population (ADP). However, this turns out to be incorrect. According to the SCORE interlocal agreement, costs for 2012 are based on the City's 2007 APD, which was substantially higher than 2011's ADP (17 versus 5). The City's jail costs for 2012 may be more than \$100,000 over budget. SCORE is also not bringing in the anticipated contract revenue it included in its budget so all member city's costs could go even higher. To soften the impact of this, SCORE anticipates budgetary savings for 2011 that may be applied to these higher costs and possibly the use of unexpended fund balance.

6. Committee member comments

Councilmember Scott commented that she had met with Mr. Young and she reiterated his support for an ordinance that provides relief from the hotel/motel tax for new or remodeled hotels and motels. She also noted that she needs to see an analysis of the revenue impact of such an ordinance before she can vote on whether or not to approve it.

7. Future meetings

The Committee's next meeting is scheduled for Tuesday, March 27th at 5:00 p.m.

Adjourned at 6:20 p.m.

Respectfully submitted by:
Tony Piasecki, City Manager