

Economic Development Commission
Board Meeting Minutes
August 16, 2017
City Hall – Hooker Conference Room
4:15pm

ROLL CALL: Kurt Zorn, Geoff McKim, Dorothy Granger, Malcolm Webb

STAFF: Brian Payne, Alex Crowley, Laurel Waters, Stacy Jane Rhodes

GUESTS: Kevin Robling, Jana Hageman and Joy Skidmore representing Mecca

APPROVAL OF MINUTES

Malcolm moved to approve the minutes from May 25, 2017. Dorothy seconded the motion. The motion passed unanimously.

Alex updated the Board on the Naples, LLC N. Kinser Pike Tax Abatement Application. It was denied by Common Council. The challenges the Council had were if there was a “double dip” going on when it came to the first floor conversion from commercial to residential, and then a tax abatement as well. There was concern over the loss of green space and the area being built out. There was also a question of whether it merited being called an Economic Development Target Area. The vote was 4-4, with a councilmember being absent. The developer is now re-evaluating what to do with that land.

OLD BUSINESS - None

NEW BUSINESS

Resolution 17-03 Real Property Tax Abatement application – Mecca Companies, Inc.: N. Crescent Road

Alex summarized the Tax Abatement request from Mecca Companies. This is a 146 unit five story multi-family mixed affordable/market rate housing development. Mecca is committing to 70% of the units at 60% or less of the AMI. Twenty percent of the units will be market rate. This is a piece of land that is extremely challenging from an environmental perspective. Alex further stated because of strict guidelines this project will not happen if there are no tax abatements because of the economics of the project, as reflected in the proforma. In order to fill the funding gap they are asking for \$800,000 from the City in Home Dollars and Affordable Housing Fund. The Tax Abatement (10 years) was calculated at one million dollars of cumulative tax abatement, with a net present value of \$800,000. Cumulatively, the local incentive is about 1.6 million. The developer is also seeking 4 million in low income housing tax credits and financing the balance of eleven million, for a total project cost of seventeen million.

Kevin stated this is the first time the Affordable Housing Fund has been used and they are asking for \$250,000 grant and a low interest loan of \$250,000.

Jane explained how their financials work, which she added are set by HUD. Rents are regulated federally. A market study has been done to determine how much can be charged at the market rate. All these guidelines are very strict and tight.

A question and answer period ensued.

Geoff made a motion to approve Resolution 17-03 Real Property Tax Abatement for Mecca Companies, Inc. Dorothy seconded the motion. The motion passed unanimously with one member absent.

Good of the Order

Alex introduced a discussion about expanding the role of the EDC to help with economic development planning and strategies.

Geoff stated a broader mandate would be welcomed by him.

Malcolm stated he felt the same way and is interested in a more expansive role.

Dorothy stated she likes to think strategically, and would enjoy working on economic development strategies.

It was unanimous that meetings would be held monthly whether there was a tax abatement coming forward or not.

Meeting adjourned at 5:05 p.m.

