

MINUTES
ECONOMIC DEVELOPMENT COMMITTEE
May 2, 2018

The Economic Development Committee held a meeting on May 2, 2018 at 4:30 p.m. in the Council Chambers at City Hall.

Present: Chairman Dan Colwell, Aldermen Connor, Jenkins, Sharp, Economic Development Director Parker and Attorney Mike Seghetti

Alderman Colwell called meeting to order at 4:31 p.m. First item on Agenda - Budget review; Mayor White stated that the council wanted a better review process so at the beginning of each meeting there will be a budget review so that all can keep better track of money that has been spent. Since this is the beginning of our new fiscal year, no money has been spent yet. Also if at any of the committees there is a big issue that comes out of that committee the Chair would then contact other council members to inform them of the issue that will be coming forward so that everyone is aware of any large and or very important issues as they arise at the committee level.

Bacon Building proposal: We had a meeting with James Searle and came to a tentative agreement with the redevelopment plan, but as of the last hour some of that agreement had changed. The agreement was to not exceed \$460,000 of TIF Funds. When that project was first looked at the dollar amount that the developer was asking the city for was around \$800,000. The Mayor stated that as an architect he did an assessment of what it would take to make that building “buyer ready” and the cost estimate was roughly \$800,000. Mayor White stated that this is a lot of money but we do have it in TIF fund. T.U.R.F. would be putting \$290,000 of their own funds into the project, he would be asking for a \$150 loan (Help Loan) and then no more than \$460,000 in TIF funds would be used to do this project. The proposal James gave us has it figured as a \$900,000 project with finished apartment’s upstairs and commercial space downstairs. The apartments would rent for approximately \$700 per month.

The Mayor stated if we don’t move forward with this project we may end up having to spend a lot more of our own money and then sit on a building that we may have to be landlords on for some time.

Attorney Seghetti commented that the changes that James wanted to make on the agreement are things we can live with, he changed how his equity injection would be put into the project but the overall numbers did not change. He also indicated that he would be getting a mortgage on the property, and even with that if there is a \$290,000 1st mortgage we would still be in a good position with a 2nd on a building that would have a \$700,000 plus value. Alderman Colwell asked if we could make a counter with him in regards to how his money goes into the project, having him put a little more of his own in first. If that does not work out for him then we will go ahead with the last request he submitted because we would like for this project to move forward. Consensus was to get the revisions done and then it would move forward to Council with the committee recommendation.

Flexi Snake: Flexi Snake is expanding and growing (25 – 30 employees) and wants to acquire the City’s Ash Street Property next door. Flexi Snake has given us a proposal where they want to add 2 additional buildings and a connecting building. They currently rent space (8 – 12,000 feet) from G & D storing product where they have to go to and from on a daily basis to pick up or drop off materials. By being able to expand they would no longer have to do that. They look to add 10,800 square feet to their existing facility. They will also be doing more in-house instead of outsourcing. They will be increasing property taxes, more employment opportunity for local folks and filling up a vacant lot. In their proposal they are asking for the property to be given to them and an additional \$100,000 to help with TIF eligible cost. Director Parker stated that because of the fact that TIF dollars cannot be used for new construction, by them requesting for us to give them the property, that is how they were utilizing TIF dollars in the project. Attorney Seghetti stated that the ask was for the lot and \$107,000 in TIF eligible cost. He would like to revisit that list to make sure all the items are eligible. There is more reason to do this deal other than just getting back the \$30,000 off the tax role, its filling the vacant lot and creating jobs.

Alderman Connor mentioned that we want to make certain that this expansion won't create a lot of noise, that the look of the building is as nice as their current facility and that we are mindful of the residents and the restaurant next door. She also stated that she is impressed with them wanting to use all American Made products. Attorney Seghetti said that all of those concerns Alderman Connor spoke of will be addressed during their zoning hearing because they have to get the lot rezoned.

Alderman Colwell summed up all the comments and stated that there are negotiations in every deal so we will revisit their request and work with them to work out the best deal we can. Also he stated that the Ash Property will have to be published in the paper again since we have an interested party in that property. The direction given to Director Parker is to get back with flexi snake in regards to their total eligible dollars requested and for Attorney Seghetti at the Council we will have a motion to direct him to proceed with creating the RFP for the Ash Street Property. The consensus of the committee was to also stay within the \$50 – 75,000 range with their TIF eligible cost.

Alderman Sharpe asked if this needed to go through finance committee also. The response was no because finance generally refers to the ED committee for all TIF related expenses. Chairman Colwell stated that the full council will have time to find out about the details of this request when all the RFP's come in and that information is shared with the full council.

Motion was made and seconded to go into closed session under section 2 (c) (5) Purchase or Lease of Real Estate

At 5:20 p.m. Regular meeting opened back up at 5:37

Updates

Resurrection Welding: This project is moving along, working on the closing date with the title company.

1807 Finney – Director Parker stated she went over and picked up the signed contract but no closing date was given to her at that time. Attorney Seghetti suggested the contract not be signed off on by the city until a closing date has been established. At some point they have to give us a firm date to close. Director Parker was directed to get a specific date from them if they intend to purchase the property.

4th Street Corridor Study- Director Parker stated that on Friday she and the Mayor are meeting with TESKA and Nate from the Tri County Regional Plan Commission to see what our next steps are. The Mayor also asked for Director Parker to re-convene the 4th Street Committee Group to be a part of this grant activity when it occurs.

M & T Update – Director Parker updated the committee on the Downtown Thursday's dates this year which are the last Thursday in June, July and August. She also mentioned that the Convention and Visitors Bureau investment will now allow us to do some marketing for the city through them.

Alderman Colwell asked to list the council agenda items that will come out of the meetings today.

1. Authorization to Publish an RFP for Ash Street (Set up another meeting w/ Flexi Snake to get numbers)
2. Purchase BB's Property
3. Sale of Elm St. Property
4. Purchase former Jerry' Corvette site

Alderman Jenkins asked about the balance in the TIF and how much does it take in monthly and or annually. He would like to see that information, money that goes in and out of the TIF. Attorney Seghetti mentioned that the TIF Plan needs to be updated to finish out the life of the TIF. Work will begin on that soon.

There being no further business meeting adjourned at 5:46 p.m.

Respectfully Submitted

Chairman Colwell