

ECONOMIC DEVELOPMENT COMMITTEE

OCTOBER 15, 2014

The meeting was called to order at 5:00 p.m. by Chairman John Kevern. Committee members present were: John Kevern, Rick Rettig and Barry VanHoozen. Also present were City Administrator Bridgette Kabat and Economic Development Consultant Glenn Grisdale.

CRA PROGRAM DISCUSSION

At the Committee's request, Mr. Grisdale gave an overview of the CRA Program. He distributed a spreadsheet showing the existing abatements, a map showing the CRA districts and a map showing the Planned Business Parks which are all located in CRA 4. He explained that the City has two CRA districts, CRA 1 and CRA 4. CRA 1 encompasses the downtown area and allows abatement for only commercial projects. New construction can be abated 75% up to 15 years. Renovations greater than \$5,000 can be abated 75% up to 12 years. Currently, we have only one abatement in CRA 1 and that is V Couture. CRA 4 allows abatement for commercial and industrial projects. New construction can be abated 100% up to 15 years and remodels can be abated 100% up to 12 years. Mr. Grisdale stressed that the City requires that the schools be made whole so they are not impacted by abatement. Only the City and County's share of the property taxes are abated. Mr. Grisdale said that the City's 18 active abatements have a total of \$17 million dollars in valuation so the cost of the program is about \$136,000 per year for the City. He said that 88% of the abatements are to Stage 1 and 2 businesses which are mom and pop businesses with less than fifty employees. He said that nationally Stage 1 and 2 businesses account for 80% of the jobs. Mr. Grisdale said the principal goal for CRA is to get new and improved valuation and to bring in jobs. Mr. VanHoozen asked if we have a minimum job requirement or minimum improvement amount for CRA applications. Mr. Grisdale said we do not have a minimum requirement, but sometimes it is not worth it to the applicant if the project is not big enough because of the additional requirements.

Mr. VanHoozen asked about the rationale for excluding restaurants. Ms. Kabat said that they have heard that retail is market and demographic driven and those types of establishments will locate where the rooftops are. She said it could also be tied to how employees are compensated. Mr. Grisdale added that restaurants can apply for Revolving Loan Funds. The Committee then discussed the history of the Revolving Loan Fund and had a discussion about Joint Economic Districts and Zones.

There being no further business, the meeting adjourned at 6:02 p.m.

Respectfully submitted,

John Kevern, Chairman
Economic Development Committee

Next meeting: Wednesday, November 19, 2014 at 5:00 p.m.