

## **ECONOMIC DEVELOPMENT COMMITTEE**

**MARCH 18, 2013**

Chairman Mike Olmstead called the meeting to order at 5:37 p.m. Committee members present were Joe Lawless and Mike Olmstead. Maria Ermie was absent. Also present were City Administrator Bridgette Kabat and Glenn Grisdale of Reveille.

### VCOUTURE CRA APPLICATION

Mr. Grisdale reported that a CRA application has been received from VCouture. They have purchased the house at 135 West Indiana Avenue which has been vacant for the last seven years. They plan to either demolish or move the house and build a new building to expand their business. Real property improvements are estimated between \$1.2 to \$1.5 million and the total project is estimated to be around \$3 million dollars. There would be an additional 25 full and part-time employees split between three employers with an estimated annual payroll of \$575,000 to \$600,000. The project is to begin in October of 2013 with completion in October of 2014, so the abatement would begin in 2015.

Mr. Lawless said he is all for the project, but he does not believe we should be granting tax abatement for retail because it will set a precedent. Mr. Grisdale said that this project has new real property improvements, alleviates blight, and increases property values, and decisions can be made on a case by case basis based on the merits of the application. Mr. Olmstead said that we have approved other applications with an overall lower investment threshold. He said he agrees that we have to be careful with retail and that a full complement of variables have to be in place. Mr. Grisdale said that this will be a destination site and customers will come from out of town and stay at hotels. It will be a force multiplier so it will provide benefits to other retailers which distinguishes it from traditional retailers.

Mr. Lawless said that although he is in total support of the project, he is against the abatement. Mr. Olmstead said that he will support the abatement based on the investment threshold and the number of employees. The ordinance will be introduced at the first Council meeting in April.

### 2012 TAX INCENTIVE REPORT

Mr. Grisdale went over the Tax Incentive Report that will be reviewed by the County at the TIRC meeting March 20<sup>th</sup>. The City had five Enterprise Zone Agreements but two were rescinded because they were personal property only, two expired, which leaves only one for next year. Two CRA's were terminated, one by the property owner and one by the City because the property owner was delinquent in their school payments. All other abatements are current with the schools. Mr. Grisdale stated that the Levis Commons TIF is the same as last year and there

are nine parcels that have tax delinquencies of approximately \$287,000. They will be up for sheriff's sale soon.

#### CROSSROADS BUSINESS PARK PROJECT UPDATE

Mr. Grisdale reported that he has been working with landowner of Crossroads Business Park and they have a fully executed support letter on behalf of 22 business owners which represent over 350 jobs to request matching funds to extend Jefferson Street. Mr. Grisdale said that they are working on getting safety money to help with the extension, and the concern is that Williams Road will be made right-in, right-out before Jefferson is extended.

#### PROJECT AT 702 COMMERCE DRIVE

Mr. Grisdale said at the next meeting he will be bringing a CRA application for an \$800,000 to \$1.2 million dollar office building for a group of doctors at 702 Commerce Drive.

#### OTHER BUSINESS

Ms. Kabat said that they are putting together a proposal of other Economic Development tools for the Committee to look at and possibly include in the 2014 budget process.

**The next meeting will be Monday, April 15, 2013 at 5:30 p.m.**

There being no further business, the meeting adjourned at 6:26 p.m.

Respectfully submitted,

Mike Olmstead, Chairman  
Economic Development Committee