

## MINUTES OF THE ECONOMIC DEVELOPMENT COMMITTEE MEETING

7:30 a.m.

October 24, 2018

Committee Chair, Mayor Genshaw brought the meeting to order with the following committee members present: Trisha Newcomer, Director of Economic Development and Community Relations, Councilman Dan Henderson and Charles Anderson, City Manager.

Trisha Newcomer presented Agenda Item #1, discuss and review applications for the Rental to Homeownership Incentive Program.

Mrs. Newcomer stated that there have been two rental to homeownership applications received since the last Economic Development committee meeting. In order to qualify for the incentive, the property must be an existing single family residence within the Seaford City limits; used exclusively as a rental property for a minimum of three years immediately prior to conversion; the new owner must occupy the property within one year of the date of purchase; has been recommended by the Economic Development Committee and approved by the Seaford City Council; organizations with non-profit status do not qualify and the property owner must be in good standing with all City accounts at a zero balance.

Mrs. Newcomer provided information about the amount of the incentive for the buyer and seller. For the buyer, the City will abate the City property tax charge, for a qualifying property, for five years after occupancy by the property owner. The City will graduate the City property tax charge for a five year period (year 1 – no property tax charge, year 2 – 20% of the tax assessment) until year 6 when the property will be charged the full property tax assessment in effect at such time. The tax incentive is non-transferable. For the seller, the City will provide an incentive equal to five times the full property tax assessment in effect at the time of transfer to a qualifying property owner. The City will disburse the seller incentive once the qualifying buyer occupies the property. It was added in order to be considered for the agreement, an application must be submitted and an agreement outlining the terms and uses of the incentive must be formed with the City of Seaford, the seller and the property owner(s) prior to any funds being distributed to the seller or property taxes are reduced for the buyer.

The first property is located at 507 N. Bradford Street which is owned by Mr. Mark Hardesty and Mr. David L. Smith. This property has been used as a rental property for 10+ years. For this property, the seller would receive an incentive in the amount of \$2,159.15. The buyer would receive a tax abatement for five years as follows:

- Year 1 – no property tax charge
- Year 2 – \$86.37
- Year 3 - \$172.73
- Year 4 - \$259.10
- Year 5 - \$345.46
- Year 6 - \$431.83 (full amount)

Mrs. Newcomer reminded the group that these figures are based on our current tax assessment and the City is currently in the process of doing a City-wide property tax reassessment.

Mayor Genshaw asked for any questions or comments from the committee; there were none. He then called for a motion. Councilman Henderson made a motion to recommend the rental to homeownership application for 507 N. Bradford Street to City Council as written. City Manager Anderson seconded the motion; motion so passed with all present voting in favor.

The second application received was for the property located at 410 Harrington Street. This property is owned by Ms. Lorne R. Adams and has been a rental property for 8 years. For this property, the seller would receive an incentive in the amount of \$2,672.20. The buyer would receive a tax abatement for five years as follows:

- Year 1 – no property tax charge
- Year 2 - \$106.89
- Year 3 - \$213.78
- Year 4 - \$320.66
- Year 5 - \$427.55
- Year 6 - \$534.44 (full amount)

Mrs. Newcomer reminded the group that these figures are also based on the current assessment values.

Mayor Genshaw asked for any questions or comments from the committee. With no questions or comments, Mayor Genshaw called for a motion. Councilman Henderson made a motion to recommend the rental to homeownership application for 410 Harrington Street to City Council as written. City Manager Anderson seconded the motion; motion so passed with all present voting in favor.

City Manager Anderson reminded the committee that it was not included in the budget for this incentive. Mrs. Newcomer stated that as of right now, the money is coming out of the reinvestment incentive budget for the seller checks. It has been discussed to possibly take the money out of the realty transfer tax account in the future. Councilman Henderson asked what the realty transfer tax reserve account money was used for. City Manager Anderson stated that in the past, it has been used to balance the budget. City Manager Anderson also pointed out that once the property tax reassessment is completed, these numbers will need to be recalculated.

With no other business or questions, Mayor Genshaw adjourned the meeting at 7:42 a.m.

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Tracy Torbert, Executive Secretary