

MINUTES OF THE ECONOMIC DEVELOPMENT COMMITTEE MEETING

2:30 p.m.

February 6, 2020

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

Trisha Newcomer presented Agenda Item #1, discuss an option for a Single-Family Dwelling Incentive.

Mrs. Newcomer stated that a meeting was held with a developer a few months ago that is currently working in a development in the City. During discussions with them, they shared that they have seen single family incentives similar to the draft brought forward today by City staff in other communities. The draft is written to create a 12-month moratorium for the fees associated with the construction of a new single-family dwelling. It also states that it does have to be homeowner-occupied for five years or a lien would be placed against the property to recoup those fees.

City Manager Anderson added that this was a request by a developer; City staff wanted to bring it before this committee to see if there was interest to move it forward. He believes if the City wants to promote single-family homeownership, this would help with that. It is currently in the form of a resolution that would go in front of the City Council for approval. A footnote would be added to the schedule of rates and fees to reference this resolution number. Staff would then present an agreement to the homeowner similar to the rental to homeownership incentive to be executed.

Councilman Henderson stated that based on the document, the incentive would only apply to R-1 zoned lands in the City and would only benefit one developer since the rest of the R-1 is already built out. For example, Mearsfield is zoned R-2, therefore the way this resolution is written they would not qualify. City Manager Anderson stated that it can be revised to include R-2, however, that would open up large portions of the City. City Manager Anderson stated that it could be crafted in any way desired by the committee.

Mrs. Neal asked what are the housing goals for the City? City Manager Anderson stated that developers establishes the products in the market; he feels that the City is looking to make a way for business to prosper and reduce the barriers to do business here within the City. Mayor Genshaw added that this could be an incentive to encourage a developer to come here to build homes.

Mrs. Neal asked what the financial impact would be to the City? City Manager Anderson stated that each single-family home pays about \$6,000-\$8,000 in fees. Mrs. Neal asked how many single-family homes are built in a year? City Manager Anderson stated that he would estimate about 25-35 per year.

Mayor Genshaw stated that this would be a test to see how it works and then at the end of year see if it was a success or not. City Manager Anderson stated that the City is getting a lot of apartment complexes come into the City; it has been stated that people want to see more single-family homes. By providing incentives such as this, the goal is to bring more single-family homes into the City. He added that this will be a cost to the City, however, it is money that we will not take in.

Mrs. Neal asked how would the homeowner be protected? City Manager Anderson stated that they would be made aware of the information and he acknowledge that they can be stuck with the bill if the

property is use for rental. He added that this information should be passed along through the Real Estate agent and attorney. Councilman Henderson stated that this is an incentive that is designed for a non-developer. Mayor Genshaw asked if there was anything that could be included in the agreement that would protect a homeowner that buys from a developer? It was discussed that there is language under item number six in the agreement. City Manager Anderson stated that an affidavit could be created for the seller and buyer to execute.

Mrs. Neal asked how this would be impacted if Habitat wanted to come in? City Manager Anderson believes this would be custom tailored for them.

Mrs. Neal asked what the time period was for the incentive? City Manager Anderson stated that it is twelve months; the idea is to do it for a year and track it. Then, bring it back to City Council to see if the desire is to continue and discuss any problems. A building permit will be issued for construction and that does have a timeframe associated with it.

Mrs. Neal asked if there was any consideration of doing a similar incentive on the commercial side? City Manager Anderson stated that there are some incentives in place already such as the flexible warehouse space incentive. In the past, it has been suggested to bring any "ask" to the ED group for consideration. Mayor Genshaw stated that the challenge is that there is such a variety of businesses.

After a discussion, it was decided to have City staff revise the agreement and bring back to the committee for their approval prior to taking to City Council.

With no other business or questions, Mayor Genshaw asked for a motion to adjourn. Councilman Henderson so moved; Mrs. Neal seconded the motion; the meeting was adjourned at 3:04 p.m.

Tracy Torbert, City Clerk