

## MINUTES OF THE ECONOMIC DEVELOPMENT COMMITTEE MEETING

7:30 a.m.

July 6, 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, Joan Neal and Charles Anderson, City Manager.

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

Mrs. Newcomer reviewed the rental to homeownership incentive program, which was effective in October of 2017. The purpose of the incentive is an effort to aid in home ownership within the City of Seaford and the conversion of residential rental properties to owner occupied properties. 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.

Mrs. Newcomer stated that during a recent Rental License workshop meeting, the information for this incentive was presented. A realtor was present at that meeting and took the information back to two clients that qualified for this incentive.

There are two applications submitted for consideration for the incentive. The first property is located at 734 Rosetree Lane which is owned by B&B Shore Properties, Mr. Brad Baynum and Mr. Darryl Banning. This property has been used as a rental property for 12 years. For this property, the seller would receive an incentive in the amount of \$2,264.55. The buyer would receive a tax abatement for five years as follows:

- Year 1 – no property tax charge
- Year 2 – \$90.58
- Year 3 - \$181.16

- Year 4 - \$271.75
- Year 5 - \$362.33
- Year 6 - \$452.91 (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. Mrs. Neal asked what would happen if the tax rate increases with the reassessment. After a group discussion, it was decided that it would be prorated, unless there was a big change in the amount, which it would then be brought back to the group.

The second application received was for the property located at 116 Maple Street. This property is owned by Mr. Darryl Banning and has been a rental property for 11 years. For this property, the seller would receive an incentive in the amount of \$2,300.20. The buyer would receive a tax abatement for five years as follows:

- Year 1 – no property tax charge
- Year 2 - \$92.01
- Year 3 - \$184.02
- Year 4 - \$276.02
- Year 5 - \$368.03
- Year 6 - \$460.04 (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 approve the applications for the Rental to Home Ownership Incentive Program submitted by B&B Shore Properties and Mr. Darryl Banning as presented. Mrs. Neal seconded the motion; motion so passed with all present voting in favor.

With no other business or questions, Mayor Genshaw adjourned the meeting at 7:36 a.m.

---

Tracy Torbert, Executive Secretary