

MEETING NOTES
ECONOMIC DEVELOPMENT COMMITTEE
September 16, 2015 -8:00AM - 4th Floor – CR #2

Mayor Jill Hardy, Chair; Councilman David Sullivan

Staff: Ken Domer, Kellee Fritzal, Jennifer Villasenor, Duran Villegas, Max Daffron

Public: Kelly Miller

1. Public Comments - none

2. Minutes from August 11th, 2015 meeting –Mayor Hardy moved to adopt the minutes from the August 11, 2015 EDC Meeting. Passed unanimously.

3. Real Estate

1st and Atlanta Street – Duran Villegas presented information regarding the City-owned property on 1st and Atlanta that is currently fenced. Mr. Villegas described that railroad easement is located on the immediate west side of the lot and that a potential use of the site could be a parking lot. A layout for a 41 space parking lot on the site that was originally approved in the CIP but was never developed. Mr. Villegas recommended that the city make the lot a Metered Parking lot that operates from 6am-10pm to assist with Downtown parking.

Mayor Hardy asked staff how parking at the meters would be enforced. Kellee Fritzal explained that the City would post parking signs and would ticket cars that were in the parking lot after 10pm. Ms. Fritzal also expressed that parking in-lieu fees would be the method of financing the parking lot construction and that it would contain a drought tolerant demonstration garden on all of the landscaped portions of the parking lot. She also explained that the additional 41 spaces will help with overflow parking for employees. Mayor Hardy and Councilman Sullivan moved to proceed.

4. Economic/Business Development Report

Sales Tax Agreement – Kellee Fritzal presented a potential sales tax agreement between the City and Hardin Hyundai. She expressed that Hardin Hyundai asked for an agreement to incentivize their development of a dealership along the Beach Boulevard. Hardin Hyundai bought the land for the car dealership back in 2012 and currently half of the property is vacant. Ms. Fritzal explained that the agreement would allocate 70% sales tax collected through sales to the City and Hardin Hyundai would receive the other 30%. She continued on to say that there would be a yearly cap in sales tax revenue of \$200,000 to be given to Hardin Hyundai and that after 10 years Hardin Hyundai will start repaying the City for the sales tax.

Ken Domer expressed that this sales tax sharing agreement is for a use of the property that is consistent with the Economic Development Strategy of the City. He also said that the development of the Hardin Hyundai would help boost property values in the area along Beach Boulevard. Ms. Fritzal followed up by saying that this agreement will help move the project along and bring more tax dollars to the City, especially now since the Mitsubishi dealership on the site closed operations.

Councilman Sullivan asked what conditions would exist if Hardin Hyundai were to suddenly vacate the property. Ms. Fritzal informed him that covenants would exist on the property to prevent such an action from occurring. Councilman Sullivan then asked what would happen if other dealerships wanted a similar agreement. Mr. Domer answered that a legitimate reason must exist for a sales tax sharing agreement to be enacted with a business and that those reasons must be those that specifically benefit the City. In the case of the Hardin Hyundai project, the dealership will be developing on vacant property as well as a currently closed dealership and will generate more sales tax for the City as well as improve neighboring property values. Mayor Hardy and Councilman Sullivan both moved to proceed and to inform the other council members.

5. Housing Update

At the next council meeting, a Tenant Based Rental Assistance (TBRA) program will be recommended. The program will focus on providing services to homeless, veterans, seniors, and domestic violence victims. She expressed that staff is also working on a housing project with Wakeland Mercy House that has 12 units for veterans and 12 units for extremely low/ very low income residents. Mayor Hardy expressed that the project would be compatible with surrounding residents. Ms. Fritzal explained that the funding for this project would be approximately two million dollars and that the project is being brought before EDC because staff feels it would be a valuable and viable project. She also explained that controls will be in place to assess parking issues and other issues that may arise with the development.

Adjournment to October 14th, 2015, 8:00 a.m. Civic Center, 4th Floor CR #2