

B. Regular Business

1. Recommend Adoption of Housing Strategy

Werger made slight revisions based on the commission's discussion last month. Egli asked if this would be the first submittal to Council. Yes, Werger mentioned that we have only submitted our minutes not the actual document. Egli thinks this is a great housing strategy. Schroeder agrees and states it is easy to understand. Lieb asked who created the strategy. Staff wrote the strategy with input from this commission. Egli asked McKenzie how he feels about this strategy and if it is something he thinks the Council wants to see. McKenzie stated that yes it is helpful to see a breakdown of the different types of housing, not just one blanket policy.

Motion By: Lieb

Seconded By: Egli

Move to recommend that the City Council adopt the Housing Strategy developed by the Economic Development Commission.

Yes: 5

No: 0

Absent: 4

2. Discuss Disposition of Excess Right-of-Way

Werger led a discussion regarding a proposal submitted to the Waverly City Council on October 5th for disposition of .7 acre of excess right-of-way at the intersection of 4th Street SW and Cedar River Parkway. The property does not have access to 4th St SW or Cedar River Parkway due to being too close to the intersection. This parcel would be valuable to the adjacent owner who bought the Eliason farm. The owner is interested in developing both parcels together as the other parcel connects to the Cedar River Parkway. A development agreement was proposed in which the City would transfer the parcel for no monetary consideration, and the developer would develop that parcel and the adjoining parcel for a minimum tax assessment of \$1 million within 3 years. If the development did not take place in that timeframe, the land would revert back to the City. The Council did not vote to set a public hearing on the matter.

As background, The DOT was going to auction this property in 1997, but the City did a great job of proactively acquiring the land for the future Cedar River Parkway project. The DOT was able to sell the land to the City for the appraised value rather than going through the auction process. When the City bought this land, the remainder not being used for right-of-way was intended to be used as green space. After speaking with Tab Ray, Leisure Services Director, this is not a desirable location for green space due to proximity to the busy intersection.

The issue is coming up with a mechanism for selling this parcel. DOT usually uses an auction process. If we sell at auction, there is no guarantee to get the assessed value out of the property unless a minimum bid is set. This would be a sale with no agreement to assure the parcel is developed in a timely manner. A third party could also bid up the property as a means to try to get the adjacent property owner to pay more for it. Sealed bids is another process that could be considered but similar concerns would apply. Schroeder asked if the city has a practice it has used in the past with selling excess right-of-way. Werger stated

that the city has come up with a calculation using lineal feet for other parcels in town.

Duane Liddle asked about the difference between access and commercial access, which side of the parcel is considered frontage, the dimensions of the property, and whether it was once one parcel or two. Werger stated that a normal no-access example would be rural farmland or timber ground that is land-locked but access would still be given for the owner to get trucks/tractors to the land. A commercial access for retail would involve a concrete driveway and public access. Werger further advised of the lot dimensions and that both sides would be considered frontage since it is a corner lot. Jones replied that the parcel in question is one lot.

Lieb ask if Werger knew how the developer felt when they were told the City would not transfer the land without monetary compensation. Werger stated the developer was disappointed, but understands that the City paid for it so feel they should get monetary compensation back.

Werger stated that the interested developer is willing to pay assessed value and sign a development agreement agreeing to develop \$1million in assessed value on that and the adjacent parcel. It was the consensus of the Economic Development Commission, as well as the non-voting partners at the meeting, to recommend approval of this option.

Egli pointed out that the value is not in the money the City receives from selling the parcel; the value comes in the development of the parcel. We can't get side tracked by the purchase price. We need to focus on who will best develop the property.

McKenzie stated that you could look at putting a purchase price of \$95,000 on the parcel, have a developer pay \$15,000 and the left over would essentially be an incentive.

Colson mentioned if the City does an auction, people may bid up the price and develop eventually with no timeframe. Schroeder agrees it would slow down development which is where the City will get its value from for this parcel. Toliver reiterated Egli's point that the value is going to come from the development of the parcel not the purchase price. Schroeder agrees and states that we need to get everyone to see this.

Egli stated that going to an auction the City would get money from the purchase, but there would be a question on the amount of development and taxes. Being an open auction may seem fair, but wouldn't be smart. Development is where the money is going to come from. Tax on \$1 million would roughly be \$12,000. Egli states the most important aspect lays in the future valuable improvements; we can't get stuck on focusing on the immediate money from the sale.

McKenzie asked if the City sells for the assessed value, will the developer ask for other incentives. Werger stated that no further incentive would be recommended, but the City would possibly participate in something such as infrastructure if it helps other properties, as the city has done in the past.

Motion By: Egli

Seconded By: Lieb

Motion to recommend that the City Council enter into a development agreement with the owner of the adjacent property to sell the city-owned parcel for assessed value, with agreement that the developer develop that parcel and the adjacent parcel for a minimum assessment of \$1 million within an agreed timeframe.

Yes: 5 No: 0 Absent: 4

3. Green Bridge Update

Werger gave a brief overview of the status of the Green Bridge. The city is waiting for VJ Engineering to come back with a review after Kehe's report. Jones stated that 2 engineering firms have said to close the bridge and one engineering firm said it is okay to open. The city needs to find out why the reports are not matching. Werger stated we all would like it to be usable, but we need to make sure it is safe. Lieb keeps seeing in reports that one option is to look for an alternate location. Lieb believes there is no good alternative. McKenzie mentioned that if we can open it now without doing repairs, why do repairs? Werger asked if the commission thinks public forums are needed. The consensus was that the city is following up to make sure the data is accurate and there is no reason for public input at this time.

4. Updates from Participants

None

C. Mayor's Roundtable Discussion

Discussion led by Mayor Chuck Infelt.

None

D. Old Business

None

E. New Business

None

F. Next Meeting Date

The next meeting date is scheduled for Tuesday, November 10, 2015 at 7:00 a.m. in the Civic Center at Waverly City Hall.

G. Adjournment

Motion By: Egli

Seconded By: Abben

That the Economic Development Commission meeting be adjourned.

Yes: 5 No: 0 Absent: 4