

4. Communication Items:

Economic Development Director Bill Werger provided updates as follows:

He attended Heartland Conference in Kansas City that was put on by UNI Institute for Decision Making. The conference included representatives from various Economic Development departments from Kansas, Oklahoma, Missouri, Nebraska and Iowa. Discussions regarding Main Street and problems/solutions for communities provided great information. Waverly is one of the few communities that have full store fronts. Many small communities have noticed the effects of reduction in spending and services. Pockets of larger communities are still thriving, but the rural areas are struggling. Many of the economic development entities representing rural cities and counties are struggling and just looking for anything to improve their communities. The conference was helpful to get fresh ideas on steps other communities are taking to make improvements.

Werger and Phil Jones also attended the SMART Conference last week in Des Moines and attended sessions on housing and other topics. Many communities have tried different things trying to figure out what works best for their communities. The Governor, Lieutenant Governor, IEDA Director and the DOT Director spoke and were very upbeat about the things happening in Iowa. Iowa has a steady growth, and overall a lot of good things happening.

Egli asked if Werger if there are new incentive opportunities in the state. He mentioned the workforce housing tax credit program recently started by the IEDA and that a lot of communities are using Section 404 urban revitalization plans. Some cities just give cash to spur development. Others have bonded specifically for cash incentives. Werger did not see that cash incentives, especially funded by bonding, were necessary. He emphasized that Waverly needs to get land opened up to be able to be developed and that we are seeing spaces that are becoming available.

Debbie Durham was at Wartburg on May 6 for Young Women in Business conference, which was a successful event.

Werger stated that the purchase of the Eliassen farm is pending. The Council's 1st reading on rezoning that property will be on the 18th. The parcel in the middle is zoned A-1, but will be rezoned to R-4 to match the east parcel. The parcel on the north end of shopping center is zoned A-1, but will be rezoned to C-2 to make sure they have to meet parking requirements.

A downtown business is building on 10th Ave SW, so that downtown building will have an open space to fill. Another existing business downtown is remodeling their building.

The Dane/ Sather's project received an IEDA workforce housing tax credit grant and a request for a local incentives match will come before this commission next month. The program grant requires a local match of at least \$1,000 per unit.

The Council will begin studying an urban revitalization program for multi-residential property on the 18th. In the next few years the City could consider a slum and blight urban revitalization plan for those properties coming out of the flood zone. The City could also consider a separate business revitalization plan for existing businesses, including incentives for façade improvements.

Werger stated we are getting ready for Mumford & Sons this summer. Downtown will be closed Wednesday through Sunday for the concert.

Winnebago closed on the property last week. Winnebago's current employees will be repurposed in Forest City, so no one loses their job. Seventy new employees will be hired here.

B. Regular Business

1. Review Request for Workforce Housing Tax Incentive Local Matching Funds

A discussion of this request followed with staff and commission members.

Stick Brothers LLC requested consideration of local matching funds for the state Workforce Housing Tax Incentives Program. Stick Brothers LLC intends to apply for tax Incentives program for the construction of four 12-plex apartment buildings in Waverly and applied for the required local matching funds in support of this development. The program requires a minimum local match of \$1,000/unit. This is the minimum incentive that Stick Brothers is requesting. The land to be developed is behind Dollar Tree/Hibbitts/Farmers State Bank.

Questions arose about the timing of the application process. It was noted that the Dane/Sather project was already awarded the grant from the State, but now needs to be approved for the local incentive requirement. It was explained that the Workforce Housing Tax Incentive grants are awarded on a first come first serve basis and that the first application window was very short and not well-publicized. The Dane/Sather project application was submitted without specific local incentives being awarded for that project. Local incentives will be required in order for the project to receive the grant benefits.

The next round deadline is July 1. Projects not funded during round one are still considered ("in the queue"). It is advantageous to get projects under consideration so developers can be ready to apply for future rounds. Stick Brothers LLC is applying to the State for all four buildings and wants to do so by July 1. The program gives the developers three years to start each project for which they are awarded grant. Stick Brothers would have to build all four 12-plexes in three years to receive the tax incentives.

It was pointed out that this project is a good example of how the Urban Revitalization Plan could work to provide the local incentive for this state program. The local match could be provided by the tax rebate provided by the plan.

Discussion arose as to where these 12-plexes would have access to a city street. It was explained that the Centennial Business Park, including this parcel, has a private drive access to 4th Street SW. The 12-plexes would be adjacent to 3rd St SW, but do not have direct access to 3rd Street. A private drive could have access to 3rd St SW if permitted by Prairie Links since they own the sliver of land that separates the development from 3rd Street.

Stick Brothers LLC's plan is to have upscale 2 bedrooms/2 bathrooms units with amenities. Rent would be market value. The plan is to attract young professionals.

Schroeder asked if the City voted to give incentives for the application, but Stick Brothers does not get the state workforce grant, would the city still be required to provide the \$1,000 per unit incentive? The answer was that it depends upon what the City agrees to give incentives for. It could be tied to the state grant or it could also stand alone under a city urban revitalization plan as a local incentive irrespective of whether they get the state grant. It was communicated to staff that Stick Brothers would consider building at least one unit with just the urban revitalization incentive even if the state grant was not secured.

David Takes asked what would happen with the site if all 4 of the 12-plexes are not built. It was pointed out that the land is commercial right now and could be used for commercial, but it was expected that at least one apartment building would be built.

McKenzie asked about the information the Council would see, and emphasized that this group should let Council know what this commission thinks. Staff indicated that the paperwork for the urban revitalization plan is still being put together for the council depending upon what exact provisions they request.

Willis stated the Dane project is coming, and asked if the Stick Brothers project would compete with this project. The answer was that both are multi-family housing projects, but that the Dane project was already granted the state incentive. It was noted that both projects could be given incentives from the proposed urban revitalization plan, but the Dane project could also be given incentives using an amendment to the urban renewal plan for low/moderate income infill housing projects.

Discussion involved the pros and cons of the local incentive program. It was stated that Council would need to discuss how many units they would like to see built each year so we don't overbuild. Other comments pointed out that we would only have to divert property tax money for the 3 years for the start of the project, but we would then get property tax money from the project after that. McKenzie made a point that this is increased property tax revenue they are generating by investing capital; no general fund money is going in to this program.

It was noted that in order to fund this incentive, the Urban Revitalization Plan could be adopted. There is still a lot of work to get done before then to identify properties and legal descriptions, etc, but that is a source of funds for the incentive.

Motion By: Hanawalt

Seconded By: Egli

Motion that the Commission recommend to Council approval of a local incentive of \$1,000 per unit for up to four 12-plexes for Stick Brother LLC to qualify as a local grant match for the state workforce tax incentive program.

Yes: 7

No: 0

Absent: 2

2. Updates from Economic Development Team

Bartels finished 10 years comprehensive planning plan.

Darrel Wenzel of Waverly Utilities announced that bids came in last week, and were lower than expected. Board of Trustees will review today. Waverly Utilities hired a Telecommunications Director to be introduced soon.

C. Mayor's Roundtable Discussion

1. Discussion facilitated by Mayor Chuck Infelt.

Mayor opened a discussion on what is going on in Waverly, what can be improved and anything anyone has heard out and about. Hanawalt stated that Bremer County has the lowest unemployment rate in Iowa. All over Iowa you see help wanted signs. We need to keep discussing how to keep our people here in Waverly. Winnebago is one example of a company that has had a hard time finding employees, so they are moving to Waverly. Werger mentioned at the SMART Conference, speakers talked about embracing immigration to increase the workforce.

Werger spoke about a program through the Educational Roundtable that is coming up. School personnel will tour local industries to see the environment and learn about skills that are being used in today's workforce.

DaveTakes mentioned UNI's STEM externship program. He has employed teachers for the summer. With this program, teachers may take away a lot more information with the hands on experience.

Infelt stated Waverly does have a low unemployment rate, but it brings worry with that. We always route back to housing. We need to keep creating for Waverly's future. Discussion took place regarding Waverly really needing to cater to young families. Waverly has a great school system already. We need to act offensively as a community as this won't last forever if we don't pay attention.

Dave Takes thinks it is great that our staff is able to go to these conferences. It is an opportunity to see how other communities work, and ways to keep improving Waverly.

A discussion continued about the reason communities in Iowa are having a hard time filling positions. Hanawalt believes a lot of good paying jobs are not filled due to work ethic and skill gap. Egli thinks that people will learn the skill, but need to find a job that pays well. Investing in people is tough when you do not know where the company's needs will be in 3 years. Infelt thinks both sides are true to an extent. We don't always have the people to fill the open positions, but we need to make sure we are always working on ways to attract them, teach them the proper skills and find ways to keep them in Waverly. The window of opportunity is right now for young families. The skills gap is a challenge as the skills are constantly evolving. The needs of businesses are always changing. Iowa's quality of life comes from public-private partnerships.

Commissioners expressed the need for a progressive City Council. Quality of life is what brings the young people to communities and keep others in the community.

Infelt completely agrees with everything being said, and that this all leads back to our education and keeping our education at the top. In order to keep our education at the top, we need to keep consistent funding for the schools. The voice of this commission and ideas need to be heard at Council for the big topics.

McKenzie stated that we do have a project hanging out there. We have an opportunity now with restructuring Highway 3 through town in the next several years. This could change the face of downtown. A number suggested this commission take a role in this. Werger suggested the commission put this on the agenda for next month if it wants to discuss this project. McKenzie thinks we need to get a larger group to take this under their wing separate from this commission as it would take more than just time allotted for this. The members agreed generally that we have an opportunity to have a voice in what we want done to the street in downtown Waverly. It would be beneficial to get people from various groups. The commission agrees as what would be good downtown may not work in front of Wartburg. We need to make sure we are ahead on this project. We cannot wait until the bridge and parkway are completed. Everything agrees that timing is everything.

D. Old Business

None

E. New Business

None

F. Next Meeting Date

The next meeting date is scheduled for June 9, 2015 at 7:00 a.m. in the Civic Center at Waverly City Hall.

G. Adjournment

Motion By: Willis

Seconded By: Egli

That the Economic Development Commission meeting be adjourned.

Yes: 7

No: 0

Absent: 2