

## ECONOMIC DEVELOPMENT COMMISSION MEETING NOTES

June 9, 2015

Waverly City Hall – Civic Center

7:00 a.m.

### A. Call to Order

1. Voting Members Present: Deb Schroeder, Chairperson  
Steve Egli  
Mark Hanawalt  
Patsy Reed
- Voting Members Absent: Jim Willis  
Dan Beenken  
Brad Roling  
David Takes
- Non-Voting Partners Present: Ed Klamfoth, W-SR Schools  
Travis Toliver, Waverly Chamber  
Darrel Colson, Wartburg  
Chuck Infelt, Mayor  
Heidi Solheim
- Non-Voting Partners Absent: Darrel Wenzel, Waverly Light & Power  
Jim Atty, Waverly Health Center  
Linda Allen, Hawkeye Community College  
Shelley Wolf, Bremer County  
Dan McKenzie, City Council Liaison
- Staff Present: Bill Werger, Community Development Director  
Connie Tolan, Economic Development Specialist  
Paige Robertson, Office Manager Economic Development
- Staff Absent: Phil Jones, City Administrator

**With 4 of 8 Commission Members present, a quorum was not established.** The minutes of the May 12, 2015 meeting will be approved at the next meeting.

### B. Regular Business

1. Review Request for Workforce Housing Tax Incentive Local Matching Funds
- Review request from Diversified Developers LC for local matching funds for state Workforce Housing Tax Incentives Program. Diversified Developers LC has applied for Workforce Housing Tax Incentives for the construction of a 48-unit multiple family housing development with an LMI component in Waverly and has applied for the required local matching funds in support of the development, known as Bremer Court.
- Rich Dane attended the meeting to inform the commission about the Bremer Court project and to ask for support from the commission. Waverly is in need of

affordable, quality housing. Dane/Sather is looking to develop housing focused on low-mid income and mid-market rates. Low-mid incomes would be positions such as social workers, teachers, young families or single parents. A Maxfield Study as well as a Gill Group Study was completed on housing needs in Waverly. Both studies found a need for new housing. Maxfield study showed a need for 301 units by 2020. Rich Dane and Tom Sather both did 2 independent surveys and found needs for this housing project. Waverly is growing, but not as fast as it could be due to the lack of affordable quality housing. People want amenities that are not being offered in the current rental housing stock. IEDA has approved workforce housing tax credits for the project, subject to the City's support to move forward. This is a \$7-8 million project that cannot be built without a public- private partnership. The apartments will feature brick/cement board, underground heated parking, elevators and full amenities. This project needs the tax credits to make it possible.

There has been some opposition to the project and the commission asked what the basis was for that opposition. Dane stated initially the opposition was that Waverly does not need more housing, but studies are showing that Waverly does need more rental housing, so the opposition is now saying it is an unfair playing field and an out-of-town investor is involved. The commission asked if any of the opposition has stated that they can build this project without a subsidy and Dane replied that he has not heard any other developer state this.

Rent rates would be based on government standards. The project will pass savings on to the tenants. A one bedroom unit rent would be \$358-\$650 where real market rate could be over \$800. Two bedroom would be \$790-840 with market rate at \$1100. Four bedroom would be \$975-1200 with market rate at \$1600. Normal rent for one bedroom is \$1.28 sq/ft where Dane/Sather would charge \$0.74 sq/unit. In just the first full year of occupancy, tenants could save \$185,000 which would be primarily low-mid income levels. Waverly would benefit by receiving affordable, quality housing, as well as property taxes generated by the project.

The next step is going in front on Waverly City Council on June 15<sup>th</sup> to ask local support/commitment for \$1,000 per unit for the Workforce Development Tax Credits. The commitment of \$1,000 per unit does not have to be in the form of upfront money, it could be a tax abatement which is what Dane/Sather would prefer. The second step would be asking the Council for \$30,000 a year for 10 years when they apply for tax credits through IFA. Werger mentioned that Waverly has a couple of options to pay the \$30,000/year. Waverly could add the project to the Urban Renewal Plan or include it with an Urban Revitalization plan. The Urban Revitalization plan will come up a little short, so would more than likely be an addition to the existing Urban Renewal. This is a LMI project not Section 8.

Rezoning Eliason property to R-4 may allow for residential development and talks of 12-plexes will be possible resident development. Neither of these projects would be LMI, so this project would still be needed.

Hanawalt made a recommendation to bring forth Economic Development Commission's support of the project to the City Council. All present at the meeting were in agreement with moving forward with incentives for the Bremer Court project.

2. Discussion of Creating Housing Task Force

Concern was voiced over the possibility of creating a separate group just to review housing needs. The Economic Development Commission has discussed the need for additional housing for quite some time now and feels it is time to move forward with a project creating housing rather than have another group meet to continually discuss the need.

3. Updates from Participants

Due to time constraints, updates were not given.

C. Mayor's Roundtable Discussion

1. Discussion of Vision Statement for the Waverly Economic Development Commission, led by Mayor Chuck Infelt.

Due to time constraints, the roundtable discussion did not take place.

D. Old Business

None

E. New Business

None

F. Next Meeting Date

The next meeting is scheduled for July 14, 2015 at 7:00 a.m. in the Civic Center at Waverly City Hall.

G. Adjournment

The Economic Development Commission meeting was adjourned.