

ECONOMIC DEVELOPMENT COMMISSION MINUTES
September 15, 2015
Waverly City Hall – Civic Center
7:00 a.m.

A. Call to Order

1. Voting Members Present:

Deb Schroeder
Jim Willis
Steve Egli
Gene Lieb
Tammy McKenzie
Patsy Reed
Dave Takes

Voting Members Absent:

Heidi Abben
Mark Hanawalt

Non-Voting Partners Present:

Ed Klamfoth, W-SR Schools
Darrel Colson, Wartburg
Heidi Solheim, Waverly Health Center
Chuck Infelt, Mayor

Staff Present:

Dan McKenzie, City Council Liaison
Phil Jones, City Administrator
Bill Werger, Economic Development Director
Connie Tolan, Economic Development Specialist

2. Approval of Agenda:

Motion By: Willis

Seconded By: Egli

Move that the agenda be approved as printed.

Yes: 7

No: 0

Absent: 2

3. Approval of Previous Minutes:

Motion By: Egli

Seconded By: Willis

Move that the minutes of the July 14, 2015 Economic Development Commission Meeting be approved.

Yes: 7

No: 0

Absent: 2

4. Communication Items:

- Building Permit Report

Connie reviewed the numbers on the building permit report. Lieb asked about the large difference in valuation for multi-family structures between FY 13-14 and 14-15. Connie will report back with detailed information.

B. Regular Business

1. Review of Housing Strategy

Connie led a discussion about the current status of housing in Waverly and the strategy for each category of housing going forward. Housing was broken down in to 7 different categories because each may require a separate strategy. The goal was to make sure the commission as a whole is in consensus on the strategies identified.

1. Building lots for higher end housing is also known as executive housing. Stone Haven has had quite a bit of activity recently. Three new houses are under construction. Prairie Park 2nd Addition is adding 7 more lots. A new plat is being finalized for High Point 2nd Addition which consists of 15 lots for development. This category is in good supply and we just need to monitor that lots continue to be developed in the future. Lieb asked how many lots are left in Prairie Links. Werger stated that quite a few undeveloped left. Ten to twelve are in a finished area. Seven to eight are by Hanawalt's and 3-4 are spread around. Werger mentioned that connecting Bremer Road with Highpoint will help continue to develop this subdivision. Mayor asked Jones how many units we need as a town to keep on budget. Jones mentioned 45 as an average. Werger passed around a map of the city that shows the flood plain and potential places where housing can be developed in the future.
2. Building lots for move-up housing includes units between \$175,000 - \$300,000. The Eliason property is looking to develop 23 units for this category. The lots will be smaller at about 65' x 100' deep which will be similar to the Rolling Meadow lots. These lots are open to any developers. The immediate concern for this category is met, but our strategy moving forward is to continue to identify areas that could be developed for this type of housing. Egli asked if any of the areas noted on the map that was passed around earlier could be used for this type of housing. Werger stated possibly, but the developer would need to be able to buy the land at a reasonable price in order to build the lower cost homes.
3. Affordable Single family housing units generally described as less than \$175,000. A lack of affordable single family housing units has been a struggle for the community. The majority of these units are located in the flood plain. Once the Dry Run Creek Project is completed a lot of the units should come out of the flood zone. Many of these homes have transitioned to rentals. We would like to see them transition back to the traditional family housing. We believe that the strategy should be to look at some type of program specifically for this type of housing next year so we can be ready when the flood plain changes. Possibility to look at an Urban Revitalization plan for this category.
4. The LMI rental housing category is housing for low to moderate incomes. The community has 2 potential projects in place for this

category. The first project is the downtown upper story residential program. The project includes 18 units and a required LMI component. The second project is from Richard Dane and his partner using the federal section 42 program. This project would include 40-45 units. Werger stated that Dane had spoken to this group previously in regards to this project. Once the application is completed, Dane will ask the City for a local match. They identified \$300,000 is the required match to maximize the points on their application. Lantern Park was the last section 42 property. Colson inquired about the benefits of the Section 42 program to a community and if the developer would provide that supporting information. Most of the apartment buildings in Waverly have had incentive either local or state in order to fund the project. Lieb asked if we would need to separate single families from multi-families (including duplexes). Werger stated that generally we would try and do layers of the different types of housing. We are looking at rewriting the zoning code to address this. Werger stated that the demand of lot and house size is smaller due to the cost of construction. We are looking at trying to do zero lot lines with new duplexes. Each resident would own their side of the duplex and yard.

5. Market rate rental housing is another category. Waverly has not had a new multi-family housing complex in many years. The current stock of this type of housing lacks the newer amenities that some tenants are looking for. One developer plans to build a 12-plex without incentives to test the market. If it is successful, the developer will build more. If this developer is not successful, we may need to consider an Urban Revitalization plan for multi-family units.
6. Waverly Manor and Waverly Homes overseen by the Waverly Housing Commission are two housing units for the elderly and disabled low-income rental housing. Both are filled most of the time. The Housing Commission purchased a half-acre site just north of the Waverly Homes for a future development. This project will take several years, but will be a way to address this category of housing need.
7. The elderly market rate housing would consist of two categories. One category is where the tenant owns the property such as Ledges and Eisenach Village. The second is rental properties for 55+ which is under-served. As the boomers age they may not want to use their nest eggs for capital investment in housing and would prefer to rent. This rental housing may qualify for incentives under an Urban Revitalization Plan.

Discussion took place on facts supporting the strategy. Werger stated that Waverly Manor did a housing study earlier this year which showed 95% of rental units in Waverly occupied. The City had a study done that said the community has a need for more units in each category. Two other recent housing studies have been done that demonstrate a need. It is difficult to get exact numbers because of the need to rely on self-reporting and that the numbers are constantly changing. Completion of the 12-plex behind Hibbits will be a good test of that

particular market. Egli thinks this has been a helpful discussion and summary. Schroeder stated that the strategy is nicely organized and good overview.

2. Creation of Subcommittee for Urban Renewal Plan Recommendation

Werger stated that we would like a group of 3 volunteers to identify areas where we may look at offering incentives. Please contact him after the meeting if you are willing to participate.

3. Updates from Participants

Jones let the committee know of his plans to transition to Vice President and General Manager of Rada Manufacturing as part of the succession plan for Gary Nelson. Jones is excited to stay in Waverly.

Solheim stated that Waverly Health Center is expanding and opening a cardiology clinic. Dr. Cary Rose, the only pace maker specialist in the Cedar Valley, has started at Waverly Health Center. He will be in the surgical clinic for the time being. WHC is meeting with an architectural specialist to finalize future expansion plans.

C. Mayor's Roundtable Discussion

Discussion led by Mayor Chuck Infelt.

Takes asked if Waverly has done a comparison between Waverly and Cedar Falls in terms of available smaller lots/homes. Cedar Fall's school dynamic will be stepping up in the next two to three years. Waverly's school system is very good, but we need to make sure it stays that way. Werger stated we haven't captured as much as we have hoped. Small lot neighborhoods (\$250,000 house) will cater to young families. Young families want to be close to parks and schools. Waverly is more expensive than some towns due to the high demand and limited supply. Klamfoth stated that recently the school has had great growth but this year will be flat. School funding is based on the number of students. Projections shows steady incline, but those are not always correct. Mayor asked Klamfoth if he was in support of the Dane project. Klamfoth stated the housing would be a place for new teachers to live so they don't have to travel from out of town. This would help with teacher retention. Mayor asked what Tammy McKenzie was seeing in the real estate market. McKenzie stated that the market for July and August was down. Mayor asked Colson what his perspective was. Colson stated that he worries about demographics. Iowa as a whole seems to have fewer young people. Iowa is struggling to attract ages 18-24. How do we create an environment to keep college graduates around? Mayor stated that is a very good point. Our group needs to think of ways to keep college graduates around. Will the right houses and jobs keep them here?

D. Old Business

None

E. New Business

None

F. Next Meeting Date

The next meeting date is scheduled for Tuesday, October 13, 2015 at 7:00 a.m. in the Civic Center at Waverly City Hall.

G. Adjournment

Motion By: Takes

Seconded By: McKenzie

That the Economic Development Commission meeting be adjourned.

Yes: 7

No: 0

Absent: 2