

HEALTH, HUMAN SERVICES AND HOUSING
OPPORTUNITIES COMMITTEE

September 7, 2010

3:07 P.M.

Councilwoman Robinson, Chairman, called the meeting of the Health, Human Services and Housing Opportunities Committee to order with Councilmen Murphy, Rico, Scott, Ladd, Berz, Gilbert, and Benson present. Councilman McGary joined the meeting later. City Attorney Michael McMahan and Shirley Crownover, Assistant Clerk to the Council, were also present.

Others present included Dan Johnson, Steve Leach, Chief Parker, Lee Norris, Larry Zehnder, and Richard Beeland. Daisy Madison joined the meeting later.

Chairman Robinson stated that Alfred Smith was present to give us a clearer understanding of our PILOT Program in the downtown area.

Mr. Smith stated that in 2002 the City and County established as a policy matter the Downtown Rental Program; that the strategy is different from an Industrial PILOT; that criteria was set that was to be approved by RiverCity Staff that would then go to the Bond Board to obtain a freeze on property taxes for rental property; that the terms of the freeze were new construction—10 years; Rehabilitation 12 years; Certified Historic—14 years; plus a phase-in period of four years. He explained that the written application was made to RiverCity with at least 60% of value of property improvement, and the location had to be downtown. He stated that they complied with all city laws and once it was approved, notice was sent to the Mayor, City Council, County Mayor and County Commission, each of which had 14 days to object to the project. The “Sunset” was effective only for 10 years (through 2011) and would have to be acted on again to revise the program. He stated that they had worked with RiverCity in developing the language and handed out a brochure (made a part of this minute material) of the first four developments—St. Johns, Frazier Place, Bread Factory, and Southern Railway Lofts. He noted that there had been no rental housing in the last 4-5 years.

On Friday, two exciting projects were announced—Walnut Commons and the Mission Apartment Project at Main and Market. Mr. Smith stated that Kim White of RiverCity was present to talk about policy considerations and also both developers were present to talk about their projects. He stated that he would answer any questions on the legal side.

Chairman Robinson stated that she thought everyone was familiar with these two projects, but it was good to have an update and a time for questions to be answered. She stated that she thought this would make a big difference in the downtown housing mix—that we need more apartments; that these are two lots that are off the taxrolls that will be developed.

Mr. Smith stated that one is on the taxroll and one is off, and this will significantly increase the tax base; that both are mixed use and some of the space will be taxed normally and only the housing part is subject to freeze.

Chairman Robinson stated that she and John Clark had met, and he had explained that they were going to improve the facilities for the Miss Mag Nursery, which was a great aspect of this. She welcomed Kim White.

Ms. White thanked the Council for having them, stating that less than 10% of this development is rental; that this is tough to do, and she hoped this spurred more.

Councilman Gilbert asked about the moderate income, the elderly, and low income mix? Ms. White responded that they would market there—that it is moderate –starting at about \$700 monthly. She went on to say that many like to live, work and play downtown.

John Clark explained that there would be about 100 units in the range of \$700 to \$800; that they would be actively recruiting the elderly; that it is handicapped accessible under HUD requirements; that it is a true advantage because it is easy to get around downtown.

Councilwoman Scott asked if there was a comparative number between the normal tax rate versus the abated? Ms. Madison stated that they could get this information for her.

Councilman Murphy stated that there was a lot of development that would not go downtown if not for this program; that it presents additional challenges.

Chairman Robinson agreed that this was a tough piece—that there are easements across the property that limit it; that miraculously the playground is a perfect complement; that the Miss Mag Nursery had been there 50 years, and this is a step-up.

Councilwoman Berz thanked all of them, stating that this was something that was missing in downtown.

Mr. Clark stated that they had dealt with city officials, Dan Johnson, and the Mayor's Office and all had been accommodating; that they had been working on this for four years and four months; that it would make a big difference and Little Miss Mag would double in size—that this was a great thing.

Councilman McGary stated that apart from his excitement, that studies showed that such things as this elevate lower income people—that they were more likely to be elevated in the process.

The meeting adjourned at 3:20 P.M.