

Wednesday, January 28, 2015 Meeting Minutes

Economic Development Committee – Joint Workgroup Meeting

EDC Members Present: Paul White, Ed Morrell, Lesia McKenzie, Barry Perry

EDC Members Absent: Jo Anne Wright, Steven Kyle Williams, Don Brown, Ginny Porter

Staff Present: David Bergmark, Patrick Reidy, Allison Rice

Guests: Herold Broadwell, Danny Kadis, Holton Wilkerson, Gina Grey

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The meeting was called to order at 5:50 pm.

A motion was made to approve the minutes from October 22th. The motion passed unanimously.

Mr. Kadis and Mr. Wilkerson from CommunitySmith made a presentation to the EDC about urban revitalization. Mr. Kadis said Wendell has a lot of undeveloped parcels in their downtown, which creates a lot of possibilities. He said the fact that rail runs through the middle of downtown helps as well. Mr. Kadis said that now that the Wendell Falls parkway is open, that will only add to the appeal. He said the proximity of the park system benefits the downtown as well. Mr. Kadis said the fact that there is no Walmart in town helps small, local businesses stay afloat.

Mr. Kadis said his company had done some historic rehabilitation work in Wilson. He said Wilson had an inventory of available buildings. He said the town of Wilson focused on projects eligible for historic tax credits. Mr. Kadis said one important thing companies want to know when they are considering working in a town are, “Who is our primary contact” and “Do they have the support of the political structure”. Mr. Kadis said the Town of Wilson gave his company some parking spots from an adjacent municipal lot to use at no cost for 25 years.

Mr. Kadis suggested several tools that would help revitalize the downtown core, including tax increment financing, new market tax credits, historic tax credits, soft loans, and the EPA’s revolving loan fund.

Mr. Bergmark asked what the demographics of the tenants of the Wilson apartment project were. Mr. Kadis said the tenants were an eclectic mix. Mr. White asked if the apartments were three story buildings. He asked what regulations Mr. Kadis ran into. Mr. Kadis said his group did run into some issues with building codes in the past. Mr. White said Wake County is combining their rehab code with their standard building code.

Mr. Kadis said his company also did work in Concord. He said Concord sold them a building for \$1. He said due to the liability, the value of the building was essentially zero. He said when they worked in Greenville, they were able to obtain a \$150,000 department of energy grant. He said other possible funding sources were the EPA’s Brownfield investment funds and the revolving loan fund. Holton said any low interest tool offered by a municipality is very helpful.

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Mr. Kadis said doing historic rehabilitation work was all about trust and willingness to take risk. Commissioner Gray asked who their contact in Greenville worked for. Holton said she was the Downtown Development Coordinator for Greenville.

Harold Broadwell said he could point out buildings around downtown that could be rehabilitated into a great use.

Mr. Kadis said Burlington had an extremely successful co-op that was like a local, miniature whole foods.

Mr. Perry asked who would hire Mr. Kadis's company, a municipality or a business? Mr. Kadis said his company, CommunitySmith doesn't advise rehabilitation strategies. He said they could partner with either group on an actual project. He said UNC's development finance institute may do consulting for Towns. He said they charge for their services, but instruct staff on what the law allows you to do as a municipality, such as borrowing funds at a cheaper rate. He said the finance institute could help you review a deal to make sure you are not being taken advantage of.

Holton Wilkerson said Greenville did a multi-parcel Phase 1 study of a property as an incentive.

Mr. Kadis said he thought there was a pent-up demand for downtown living in general. He said having a new build apartment or condo in the downtown with 15-20 units could help create a critical mass that would jump start other projects.

Ms. Rice asked what the next steps needed to be for Wendell. Mr. Kadis said there was no silver bullet. He said controlling the link between Wendell Falls and downtown Wendell through careful planning would be important. Mr. Wilkerson said if the town were interested in pushing to create residential units upstairs in existing buildings, it may need a decent incentive program. He also said that it would help to incentivize building new apartments downtown, to help build up the downtown core.

Ms. McKenzie made a motion to adjourn. The motion passed unanimously.