

***Economic Development Advisory Board
Meeting Minutes***

June 2, 2020

I. Call to order

Chair Chuck Goad called to order the regular meeting of the Economic Development Advisory Board at 3:30 PM on June 2, 2020 at Memorial Hall.

The following members were present:

Chair Chuck Goad (5-0)
Vice-Chair Wayne Stephany (5-0)
Secretary Tony Royse (5-0) by phone
Lori Kelley (5-0)
Jason Curtis (5-0)
Lisa Wilson (Ex-Officio)
Tabatha Snodgrass (Ex-Officio)

The following members were absent:

Jim Correll (2-3)
Paul Yaroslaski (3-2)
Trisha Purdon (Ex-Officio)

The following staff were present:

Assistant City Manager Kelly Passauer
Safety Director David Cowan
Finance Director Lacey Lies
Housing Authority Director April Nutt
Administrative Secretary Lydia Collins

The following visitors were present:

None physically present, but none identified themselves via phone.

II. Items Requiring Action

- a) Consider approving minutes of the March 3, 2020 meeting

A motion was made by Lori Kelley to approve the minutes from the March 3, 2020 meeting, which was seconded by Vice-Chair Wayne Stephany. The motion passed unanimously.

- b) Consider redefining and clarifying future grant criteria as requested by the City Commission at the May 5, 2020 joint worksession.

Chuck read the first agenda item. Lacey stated that the board should hold off on having another round of City disbursements to see if any received funds from the CDBG. Chuck stated that should another round occur in the future; we want to make sure it is ready to go. Lacey stated that it may change, since the original grant was specific. Lori stated that it may be tweaked somewhat, but it is nice to have a starting spot, so you know what the parameters are. Tony asked when we will know if the City gets the grant and Lacey answered within a week, hopefully. Tony then asked if all the grant paperwork was turned in and Lacey replied yes. Tony stated there is no guarantee. What do we do if we do not get it? How much is it for? Lacey stated it is for \$300,000. Micro-grant for businesses with 1-5 employees, 51% must meet LMI qualifications based on household income. Employers with 6-50 employees, same LMI requirements for those as well. Micro-grants – one company could receive up to \$25,000 per employee, but a single employee cannot be awarded more than \$30,000. Tony stated that If the City gets the grant, if they do not meet LMI, and they are wanting to start a business they must wait for us to meet again to approve this policy and do that. If we approve it now, with the understanding of applying the CDBG grant first, then if they do not get approved for CDBG then we would have this to fall back on.

Chuck stated that we need to identify a specific need that funding from this group could help resolve. Adapt existing policy to fit that once a spending source has been identified. Tony stated that the funds are being replenished. Chuck again stated that at this time we have not identified a need. Tony then asked If there is no need, then why apply for CDBG. This could be a back-up if the CDBG does not apply. Lacey stated that the CDBG is all about employment. Tony reiterated that we are here, we should approve this rather than go back and look at it all again. Kelly replied that the instructions from the Commission was to have the policy ready to go in case other funding is allocated.

Wayne asked if maybe we could critique what we liked and did not. Kelly answered that would be a good point, so that it is ready to go if we have a resurgence in the Fall. Wayne asked about what groups and who qualified? Lacey stated that from the review committee standpoint, we identified those that did not fit the criteria and had to have a lot more discussion. We should have tabled all of them and reviewed later.

Wayne stated he would like to have the full group involved. When I went into the call, discussion helped expand my horizon on it, with more input. Kelly stated that one reason that was done is because of open meetings and they wanted to respect privacy of the businesses. Wayne replied that the point was well taken. We should talk more in depth, more define the categories. Chuck stated that the genesis of this was after the State put out their information on the Hospitality Grant Program, we used that as a starting point, expanded it to include small retail and it helped a lot of people. Lacey stated I could also, if this information would be valuable, could share the City license listing, browse through the companies, give you an idea of the types of businesses we have, and bucket the types.

Chuck stated the Commission wants it more black and white of who qualifies and who does not. It takes a lot of ambiguity away and is easier to administer, the other side is if we had done it, it would have excluded others. It is a trade-off. The purpose of the program is to try to create and retain businesses in Independence that serve the public good. Most of that was in line with that thought process. I need to think about this a lot more. There are benefits to having very

specific criteria, but trade-offs should be considered as well. The only thing I would change would be to eliminate the “hospitality,” define it as restaurants and businesses that sell goods and products. With respect to the criteria, the 1st bullet point is the delivery system. The 2nd bullet point, brick and mortar, need to consider changing technologies and customer patterns. There would be an opportunity to include folks that have included a different delivery channel. Give that more thought. Folks that live, pay taxes as part of our business community in Independence. If someone figures out a creative way to provide services in Independence but do not own bricks and mortar, I think that is okay.

Lori stated that we say the first couple are tiered in, special consideration will be given to those that generate sales tax, or property tax revenue for the city. Get through the first tier, then regroup, this is how much we used, this is how much we have left, what does Phase 2 look like. Not to exclude them, but to give priority to those that are financially beneficial to the city to be here. These groups were not addressed, but seriously impacted. A way, group of business types, lump them, based on the crisis, when you get through the funds, then go through that.

Lisa stated it is based off employee head count too. Kelly stated I think it was you, Chuck, who initially suggested the \$1,000 per employee. Chuck stated they could have an essential business with a large overhead with a few employees. Lacey suggested looking at location, open it up to Southeast Kansas. Kelly stated it needs to be specific. Lacey stated a 60-mile radius. Kelly stated I would suggest adding the word “Primarily” to selling goods and services. Tabatha stated that was my biggest complaint, professional services were upset because they did not know about it. Lacey stated that tabling those and coming back to the drawing board would be helpful. Some were a surprise to everyone, and could make an argument for them, even if you could make an argument for a business, this could possibly qualify, but give everyone a chance. Tabatha stated I did not know, I told them I misunderstood the grant.

Chuck stated the program started out very specific, and we tried to expand it. The policy, as it stands with the amendments we talked about today, is a good boiler plate going forward. Those amendments we will not know what they need to be until we are presented with a need going forward.

Tony stated back on Appendix A, I mentioned this last time, I am not in favor of the City Manager approving anything up to \$25,000. Lacey stated if the Commission approves the policy, they approve the facilitator to act within what they approve. Tony stated it says the City Manager can authorize a \$25,000 grant. Chuck said I appreciate your comment, duly noted, but that was the other grant program.

Lori stated we did not have time to review the outline in writing, sent out written parameters to the eligible businesses and stuff. When it got tweaked. Chuck stated we did that in a meeting, Trisha did that while in the meeting and sent it to everyone. Lori stated if it got tweaked, so that the message was consistent, was my thoughts. Kelly asked if anything is being changed. Chuck asked the board if they were in favor of changing that to 60 miles? Kelly suggested we eliminate someone living in another State within the 60-mile radius.

Chuck moved to include Montgomery County and contiguous counties in the State of Kansas. Tony seconded. Motion carried.

Chuck asked what are your thoughts on changing the brick and mortar? Lori stated I think it is fabulous to favor brick and mortar. We should not fund food trucks that can up and move. Lacey stated Just because they could leave, we do not want them to leave. Including guarantees they will

stay here. Kelly stated maybe establish a different amount for a food truck. Chuck suggested they qualify for some weighted amount, for instance 60% without a permanent address. A food truck is less expensive to own and operate than brick and mortar, some could be more expensive. Wayne asked maybe they remain a certain period of time. Chuck stated they certify that they operated in the City a certain number of days per year. Determine property taxes, through rent or lease, or ownership. What property taxes does a food truck pay? Does it matter if they live inside or outside the City? Lacey will review this information and report back.

Kelly and Lacey will work on the policy and bring it back to the next meeting.

- c) Consider draft Business Incentive Program Policy prepared by Chair Chuck Goad and modified at the March 3, 2020 meeting.

Chuck stated that the next item of business is the Business Incentive Policy which was brought back today to restart the discussion about it. It is not yet in a form to make a proposal to the Commission. The Commission wants a joint session. We can hammer out the issue. Kelly, see if the Commission would like to meet with us at our next meeting.

Lacey stated that if the City receives the CDBG grant, I would like to have this group be on the review committee. That is something that you guys could pick who would be a part of that review committee.

Kelly stated the wayfinding signage RFP went out today. Lori asked we utilized our fund for economic development, is there a way to utilize Community Foundation to help replenish the large gap between businesses that are doing well post-Covid, and those that are still struggling, develop a program for solicitation of funds for that? Would another group do that? Chuck stated IAP was created for that purpose. Lacey stated Main Street had their program for that.

Chuck stated that this committee needs to start to think about funding sources. We were fortunate to stumble on the incubator fund. We can access the economic development/transportation fund. My experience is that depending on the size of the business and expense of infrastructure, you can go through several hundred thousand dollars really fast. What better place would there be than Independence? A safe, rural atmosphere to work in.

- d) Open issue/summary of discussion

No further discussion.

III. Reports

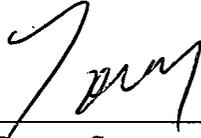
IV. Adjournment

A motion was made by Tony Royse to adjourn, seconded by Wayne Stephany. Motion carried.

Minutes approved by:

A handwritten signature in black ink, appearing to read "Chuck Goad", written over a horizontal line.

Chuck Goad, Chair

A handwritten signature in black ink, appearing to read "Tony Royse", written over a horizontal line.

Tony Royse, Secretary