



Economic Development Advisory Committee

Minutes of the February 4, 2015 meeting

8 a.m., Chamber of Commerce Board Room

Committee members present: Pat Cedeno, Kyle Fleming, Jim Hoskins, Jeff Poe and Mark Werner

Others present: Blake Benson, Daron Hall and Henry Menghini

Additions to the agenda: None.

Consent calendar: Werner began by asking for discussion regarding the minutes from the December 3, 2014 meeting. There was no discussion.

MOTION: Werner asked for a motion to approve the minutes as amended. Motion was made and seconded. All carried, motion approved.

New business:

CDL forgivable loan

On January 23, 2013, the City of Pittsburg entered into a \$150,000 forgivable loan agreement with CDL Electric Company, Inc., to help fund the acquisition and renovation of the former McNally Industries facility at 1308 North Walnut. The City's contract with CDL stated that the company would be eligible to have its annual payments forgiven each year provided that CDL invested at least \$273,000 of its own funds in the project and employed at least 50 employees at the former McNally Industries building over the life of the loan (through 2018).

As the first repayment on the loan is due, CDL submitted verification that the company had invested well over the required \$273,000 and, as of January 1, 2015, employed 59 at the former McNally Industries building. The EDAC reviewed this information and concluded that CDL had satisfied the requirements to have its 2015 loan payment in the amount of \$41,564.68 forgiven.

MOTION: A motion was made and seconded to forgive CDL'S scheduled 2015 payment of \$41,564.68. All carried, motion approved.

Property tax exemptions

The EDAC considered renewal of three existing property tax exemptions: Miller's, HI1 (Holiday Inn Express) and Aspenwood Directories (Names & Numbers). State statutes require that cities consider these exemptions on an annual basis. All three have met requirements to have their exemptions renewed.

MOTION: A motion was made and seconded to renew Miller's, Inc. property tax exemption for 2015. All carried, motion approved.

MOTION: A motion was made and seconded to renew the Aspenwood Directories property tax exemption for 2015. All carried, motion approved.

MOTION: A motion was made and seconded to renew the HI1 property tax exemption for 2015. All carried, motion approved.

(Troy Graham, Pittsburg Community Development Director joined the meeting)

A-Plus Dry Cleaners relocation project

Craig Farnsworth, the owner of A-Plus Dry Cleaners, is currently leasing space at 2308 South Rouse, but has been notified by the building's owner that the property may be for sale. As a result, Mr. Farnsworth has proposed building a new A-Plus Dry Cleaners facility at the corner of Fourth Street & Fairview Avenue.

After being approved for conventional financing, the project was altered to comply with KDOT regulations concerning proposed access off Fourth Street. This change pushed the access to the east side of the property and increased the project cost by approximately \$8,000. Mr. Farnsworth had not anticipated this additional cost and requested assistance from the Revolving Loan Fund.

The EDAC considered this request and ultimately recommended allocating \$8,000 from the Revolving Loan Fund to assist with the required infrastructure improvements. This would not be structured as a loan, but rather a one-time infrastructure investment in the project.

MOTION: A motion was made and seconded to allocate up to \$8,000 to assist with the required infrastructure improvement costs related to the A-Plus Dry Cleaners relocation project. All carried, motion approved.

(Mr. Graham left the meeting. Rebecca Light with Silvercreek Medical Reimbursement Solutions and Jared Turnbull with Arvest Bank joined the meeting).

Silvercreek Medical Reimbursement Solutions project

Silvercreek Medical Reimbursement Solutions, a Pittsburg-based business in operation for almost nine years, has an opportunity to expand into a new location. Rebecca Light, Silvercreek CEO, projected that a move into the former CP Communications building on North Broadway would create five new jobs in the first two years, with ten new employees likely within five years. Silvercreek's investment in the project is estimated to be \$600,000 and the company has requested \$100,000 in gap financing. EDAC members spent a considerable amount of time discussing the details of the project.

(Ms. Light and Mr. Turnbull then left the meeting)

MOTION: A motion was made and seconded to approve a \$100,000 loan to Silvercreek Medical Reimbursement Solutions. The loan would be repaid over seven years at 4% interest. All carried, motion approved.

PSU economic research

In February of 2014, the Pittsburg State University Kelce College of Business approached the EDAC with a proposal for the College to begin tracking and publishing vital business and economic indicators. This information is often requested by economic development prospects and existing Pittsburg businesses alike, so the EDAC recommended funding the project for a year at \$10,000, one-half of the amount requested by the College. The EDAC also pledged to review the proposal again in one year. In return for the investment, the College committed to publishing four quarterly economic indicator reports that would be mailed to every business owner in the City of Pittsburg, with extras available to be utilized in various marketing efforts. The reports have been well-received by the local business community and to those requesting economic information on our community. The College also published an annual economic profile and created an economic indicators website that will soon link to the City's website at no additional cost.

At the current meeting, the EDAC expressed its desire to continue the project and to grow the scope of services to include tracking of the quarterly *Cost of Living* report. A proposal from the Kelce College states that the College will continue to produce the four quarterly reports and annual economic profile, maintain an economic indicators website and coordinate the quarterly *Cost of Living* report for the original requested amount of \$20,000.

MOTION: A motion was made and seconded to fully fund the Pittsburg State University economic research project at \$20,000 for the next year. All carried, motion approved.

Project updates

Blake Benson provided a brief update on various ongoing projects.

There being no further business, the meeting was adjourned at 9:23 a.m.

Respectfully Submitted,

Blake Benson