



Economic Development Advisory Committee

Minutes of the July 10, 2013 meeting

10 a.m., Pittsburg Area Chamber of Commerce Board Room

**Committee members present:** Kyle Fleming, Shane Kannarr, Richard Oler and Mark Werner

**Others present:** Blake Benson, Daron Hall and Henry Menghini

**Additions to the agenda:** None

**Consent calendar:** Chairman Kannarr asked for discussion regarding the minutes from the June 12, 2013 meeting. There was none.

**MOTION:** Kannarr asked for a motion to approve the June 12, 2013 meetings minutes as presented. Werner so moved. Motion seconded by Oler. All carried, motion approved.

**Directors Report:**

Benson provided a progress report regarding several ongoing projects:

**Philippe's** – Chef Philippe Accad has submitted a Revolving Loan Fund (RLF) request to help him re-open the former Fat Daddy's facility. The building is owned by Phil Minton and Accad has requested \$22,000 to provide needed updates to the building. Philippe's will provide cuisine that is currently not offered in southeast Kansas. The proposal is not ready for EDAC consideration, but a special meeting may be needed before the August 14 meeting to officially consider the request.

**Pittsburg Community Child Care Learning Center (PCCCLC)** – The PCCCLC, in operation for over 30 years, is planning to purchase and renovate a larger location on West 20<sup>th</sup> Street. The project's value will be over \$250,000 and will allow the PCCCLC to add staff and child care capacity. Benson anticipates the PCCCLC will request a \$50,000 loan to complement

conventional financing and a grant from the USDA. This project should be ready for consideration at the August 14 meeting.

**Jayhawk Sign** – Owner Martin Dickinson is considering an expansion of his existing facility. The expansion may add one additional employee, but it will allow Jayhawk Sign to significantly increase its capacity. Dickinson will be funding the expansion himself but has asked about city assistance with infrastructure needs.

**Goodwill Retail Store** – Construction has begun on a Goodwill Retail Store located on the former Movie Gallery property. Crossland Construction is building the store, which is expected to open by year's end.

**Hotel feasibility study** – The chamber and city have contacted a number of firms regarding a hotel feasibility study for Pittsburg. Such a study would determine how many hotel rooms the community should have and what specific hotel flags might be interested. Deadline for the RFP's to conduct the study is July 30 and the EDAC will consider a recommendation at the August 12 meeting.

**Cheer Pitt** – Benson reported that the land discussed at the June EDAC meeting as a possible location for the Cheer Pitt is no longer an option. This property is located just west of the Pittsburg Family YMCA. After further investigation, it was discovered that an agreement was reached several years ago that gave the YMCA use of the land in return for the YMCA agreeing to pave a portion of the land. The land was deemed too small for the Cheer Pitt anyway.

#### **Junior college bowl game:**

One of Pittsburg's most significant tourism draws is the junior college bowl game played each December. Formerly known as the Citizens Bank Bowl, the event has been in place for three years and annually brings over 4,000 visitors to town. The economic impact is estimated to be between \$700,000 - \$1 million each year. Citizens Bank has dropped their \$25,000 sponsorship of the event, so organizers are seeking a replacement title sponsor. That likely won't happen this year, so the City of Pittsburg and the Crawford County Convention & Visitors Bureau have been asked by organizers to double their current sponsorship levels for the 2013 event. Both the city and the county are currently \$5,000 sponsors, so each are being asked to contribute \$10,000 to ensure the event continues for this year. The City of Pittsburg's sponsorship is paid from the Revolving Loan Fund. After brief discussion, Kannarr asked for a motion.

**MOTION:** Mark Werner motioned that the City of Pittsburg increase its support of the junior college bowl game to \$10,000 for 2013. Fleming seconded. Motion carried.

**Old business:****Forgivable loans:**

Benson presented two forgivable loans that are due for consideration. In order to have the first half of its \$750,000 loan forgiven, Masonite agreed to a capital investment of \$600,000 and an employment level of 184 by July 10, 2013. Masonite supplied documentation these thresholds have been met.

MOTION: Fleming motioned that the City of Pittsburg forgive the first half of the Masonite loan. Werner seconded. Motion carried.

The second loan pertained to the Besse Hotel, which committed to create one job in order to have the \$200,000 loan forgiven. The Besse Hotel supplied information that indicated two jobs had been created as a result of the project.

MOTION: Oler motioned that the City of Pittsburg forgive this year's installment of the Besse Hotel loan. Fleming seconded. Motion carried.

**New business:**

**Miller's property tax exemption:** Benson presented an application from Miller's Professional Imaging to provide a property tax exemption on the company's new, \$4.8 million expansion. Under the city's guidelines, such an investment would garner Miller's the opportunity to "freeze" their property tax rates at existing levels for eight years. Kannarr stated that the EDAC had long been looking for a way to support Miller's, one of Pittsburg's most notable corporate citizens.

MOTION: Fleming motioned to approve Miller's Professional Imaging's request for a property tax exemption. Werner seconded. Motion carried.

**Pinamonti Physical Therapy:** Owner Brian Pinamonti has requested an Industrial Revenue Bond (IRB) to help with the company's planned \$5.2 million expansion. An IRB would save Pinamonti Physical Therapy from paying sales taxes on construction materials and would freeze the company's property tax rate at existing levels for eight years.

MOTION: Oler motioned to approve the Pinamonti Physical Therapy IRB application. Fleming seconded. Motion approved.

**Façade grants, phase III:** As a follow-up to the June meeting, Benson presented four businesses that were interested in a phase III of the downtown façade grant program. The requests totaled just under \$50,000. The EDAC discussed a similar arrangement as the first two façade grants in that the city would match a business owner's investment dollar-for-dollar, which would limit

the city's total liability to \$25,000. Kannarr suggested setting a ceiling of \$50,000 for the program, which would allow additional businesses to participate. One condition of the program is that the work will have to be complete by December 31, 2014.

MOTION: Werner motioned to create a phase III of the downtown façade grant program with the total liability not to exceed \$50,000 with the stipulation that all work must be completed and funds disbursed by December 31, 2014. Fleming seconded. Motion carried.

Team Kansas: Benson relayed details of a new program offered by the Kansas Department of Commerce that will allow local economic development organizations to financially support the DOC's efforts to promote the state. In return for financial support, local entities then have the opportunity to participate in trade shows around the country. The financial giving levels range from \$1,000 - \$10,000 per year for three years. The EDAC asked Benson to secure more information about the program, including total budget and what similar-size communities are contributing. Benson will present that at the August EDAC meeting.

The meeting adjourned at 11:26 a.m.

Respectfully Submitted,

Blake Benson