

Minutes
Planning and Economic Development Committee
April 4, 2016
6:00 PM
1st committee meeting

Members present were Chairman Taft Matney, Committee members Scott Crosby and Terry Merritt. Van Broad, Community Development Director and City Administrator Trey Eubanks were also present.

1. Call to order- Chairman Matney
2. Public comment
3. Reading and approval of minutes- Councilman Crosby made a motion to approve the March 1, 2016 minutes with Councilman Merritt seconding. The vote was unanimous (3-0).
4. Presentation from GADC- Mark Farris

Mark Farris from GADC was present to speak about spec buildings. We need to build contemporary buildings, which are what companies are looking for. Our property at Old Stage Road has already been certified by the Department of Commerce, so companies know what they will be getting. The best investment to make is to build a spec building on the property. Mr. Farris said it is the quickest way to draw attention to the community.

Public and private partnerships work as well. The developer will buy the building from the government entity and then lease it to a company. Mr. Farris brought some information on the kinds of prospects GADC is seeing. Aviation, automotive, advanced materials are the kinds of projects. GADC shows the certified site pretty frequently. Chairman Matney asked what was available presently. Mr. Farris said 2 dozen buildings are available now, but most have low ceilings and are not marketable. Manufacturing companies are looking for contemporary buildings instead. Chairman Matney asked what the number one thing GADC hears about our site. Mr. Farris said he doesn't show the property, but this area has high skilled people that live here. We have accessible labor. He did say he has not heard any negative comments about Mauldin.

One of the risks is the economy turns. Mr. Farris said he is amazed at the number of communities who want to do marketing instead of having a tangible asset such as a building. Chairman Matney asked what the worst case scenario would be. Mr. Farris said he has heard of stories in remote areas where spec buildings were built and sat for decades. Mr. Farris said he can't guarantee a tenant, but can guarantee people will look at this. The rail access is a plus because there are not a lot of sites with rail access and infrastructure.

Councilman Crosby asked if it would matter that this is a stand alone lot, and not where several buildings could be built. Mr. Farris said no, he has built on single parcels of property. Councilman Crosby asked if the condition of the road impacts the property. Mr. Farris said yes, it would. There may be some grant money available to help repave the road.

Councilman Crosby said he has heard that the condition of the site with scrub brush and old vehicles there is impacting the showing of the property. Mr. Farris said that does affect it. Companies might not want to show their clients the property. Or, maybe they are concerned that the older building might have asbestos. These people have built their company and then they go out and see the problems the site has. It is similar to if you are going to buy a house and you see trash all over the place. There is a risk involved. The site needs to be shovel ready. Councilman Crosby said he doesn't see how moving a shed or cleaning the property should be an issue. Mr. Farris said it is a just another step in the process.

Councilman Merritt said Greenville lost companies to Anderson. He asked if that was public or private investors. Mr. Farris said he was not speaking to a particular case. Companies will broaden a search if they don't see exactly what they want. Councilman Merritt asked Mr. Farris if he was familiar with Anderson's inventory. Mr. Farris said he worked in Anderson for a year and a half about 30 years ago, so it has changed. Councilman Merritt said he heard that the railway didn't want to make another spur. They said the railroad is very interested in servicing the site and it is truly an asset. One prospect directly communicated with the railway and it was not an issue, it was a positive.

Mr. Farris said there is strong demand in Western Europe to come to the US and if it is automotive, it is coming to the southeast. The easiest way to be successful in this market is to do exactly what committee is already talking about doing.

Councilman Crosby said we would get our money back when the building is sold or leased. Mr. Farris said worst case is you would have a facility you could do something else with if it won't sell. Mayor Raines asked how large the facilities were that Mr. Farris was involved in with York. Mr. Farris said 40,000-80,000 square feet. A shell building would be approximately \$35.00 a square foot with four walls and a floor. A building with a good ceiling height would probably be about \$55.00 a square foot.

Trey Eubanks said we have had interest in a private/public partnership. We talked about this several years ago with private entities. If this is not a possibility, we can talk about other opportunities for helping with a spec building project. Mr. Farris said a call can be made to the Department of Commerce about grant funds or financing opportunities.

Business and industrial property taxes help fund the cost of residential. Residential property taxes do not provide money to municipalities because of the cost of service to residential properties including trash, police and fire. Commercial property taxes do serve as a revenue stream. South Carolina has the lowest residential property tax percentage in the nation and the highest commercial property tax percentage. We cannot have a community that is nothing but houses- commercial properties fund communities.

Greenville is unique. They own the Matrix, but before that, Greenville did not own a county industrial park. Greenville is conservative. Councilman Goodson said he would like to see a reasonable figure for land, sewer, a building, etc. Trey said clearing the certified site would be a good start and help with the comments we have gotten from at least two prospects.

Rollie Hyust asked if the state has a program to give the city a low interest rate. Mr. Farris said they will help with roads or something like that, but he does not know of a funding program. The Department of Commerce works with a company on a site and there is a return of investment from that kind of activity.

5. Reports or communications from city officers
 - a. Community Development- Van thanked department heads for the comradery evident throughout the staff. Van Brannon invited him to a meeting of recreation people that ended up with an economic opportunity for the City.
6. Unfinished business
7. New business
8. Public comment
9. Committee concerns
10. Adjournment- Chairman Matney adjourned the meeting.

Respectfully Submitted,

Cindy Miller

Municipal Clerk

NOTICE: A majority or quorum of City Council may attend a committee meeting.