



Minutes
Economic Development Committee
January 4, 2012
8:00 AM
Town Hall Board Room

Committee Members Present

David Purvis, Bob Markli, Jim Nixon, Naoko Blue, Jim Holladay, Phil Dangel, David Smoak, R. Knick Myers, Ginny McLain-Tate

Committee Members Absent

Ram Suga

Staff Present

Valerie Millsapps, Gary Palmer

Other

Bettye Sisco and Tim Williams with the Farragut/West Knox Chamber of Commerce, Allison Sousa with the Farragut Business Alliance, and John Baker with Horne Properties

Approval of the Minutes

Mr. Dangel moved to approve the November 2, 2011 minutes with the suggested changes made by Ms. Sousa. Seconded by Mr. Purvis. All voted in favor.

Panel of Discussion on Retail, Office and Multi-Family Development-John Baker

Mr. Smoak asked Mr. John Baker with Horne Properties to come and give his perspective on what his company sees on the future of retail, office, and multi-family for the Farragut area. Mr. Smoak stated the Town is about to undertake the comprehensive land use plan amendment, which banks the road map to future development of the Town. This process will take about 6 to 7 months to get up and going. Mr. Baker stated the lending capability has been strict on their capacity to expand. Mr. Baker stated the housing market is the key element to any future expansion in retail. Mr. Baker stated the market is struggling in office right now and that there is a need for multi-family, especially in Farragut. Mr. Baker stated as far as retail in Knoxville and the vicinity he doesn't see a lot of bigger developments. The Northshore Town Center will probably be the last thing in Knoxville expansion wise unless you go farther south or east. He stated this is how they see the market right now as it is very limited on retail. Mr. Purvis asked about the development cycle for on office space or major office complexes and now what kind of lead time does he foresee it take to recover. Mr. Baker stated he foresees in 2012 and 2013 more expansion but that depends on rent rates and location. Mr. Baker stated people are looking for class "A" office space. Ms. McLain-Tate asked about multi-family housing in Farragut and how we would go about exploring that and working with businesses that would be interested in exploring building a multi-family development. Mr. Baker stated one way to help is for the City or Town to offer a tax incentive to help growth as all lenders want debts paid off quickly because of the housing market decline. Mr. Purvis asked Mr. Baker in regards to office space if he sees a lot of companies attracted to this area because of the 40/75 interstate for regional office headquarters. Mr. Baker stated he can foresee industrial type area, north of Turkey Creek but that depends on land availability. Mr. Baker stated stronger housing and upper end development is where they want to be as far as office space. Mr. Holladay suggested the sub-committee come up with a strategy to promote the proximity from Town Hall to the airport which is less than 30 minutes away. Ms. McLain-Tate stated a major downtown tenant; Kimberly Clark, made a public announcement that they are leaving downtown with parking being one of the issues. Ms. McLain-Tate asked what the EDC can do to look

attractive to a company that says they want to be somewhere else besides downtown. Mr. Nixon stated you could have a 300 acre park with a building sitting vacant that meets their needs. Mr. Smoak stated the tool that we would use would be through land use and zoning in case a developer would want to do pursue that type of development. Mr. Smoak stated the other tools we could use would be question helping with infrastructure to get something like that developed. Mr. Purvis asked if the Town has all the tools zoning wise if projects came available that we would be able to do them. Mr. Smoak stated the Towns current land use plan is pretty vague; we do have a zoning map that shows how all property is zoned. Most of the property that is currently vacant in Farragut is zoned commercial and residential. Mr. Smoak stated there is not a lot of apartment zoning right now , but looking at our land use process that could change, depending on what the land use committee and Board of Mayor and Aldermen input there is. A lot of work to do with current land owners to get a vision of what the Town will be in the next 20 to 30 years. Mr. Smoak stated we have the tools in place, but it is a matter of putting the development in the right spot. Mr. Myers stated the number of families sharing homes is up for the past 5 or 6 years, but at some point they will move out and either move to buy or rent. Mr. Smoak stated the Board of Mayor and Aldermen met last spring and discussed their vision for the Town would be younger individuals graduating from college that grew up in Farragut and wanted to move back to Farragut would have an opportunity to do so. Mr. Purvis asked if we should be talking to local developers. Mr. Myers stated you need the demand first and that we have developers out there ready to go. Ms. McLain-Tate stated at this stage economically the best thing to do is make it known that we are ready and open for business and make sure we are on the list when the time is right. Mr. Myers stated that Ms. McLain-Tate nailed it and when demand does start to come back that at least we get a look. Ms. McLain-Tate suggested making ourselves known to area developers and put some information together to be ready when the land use consultants ask for public input.

EDC Budget Overview

Ms. McLain-Tate stated she was interested in going to ICSC this year. Mr. Smoak stated the EDC has money for 2 people to go to the ICSC. Mr. Myers asked what the return on the investment was. Mr. Purvis stated it is hard to measure. Mr. Purvis stated he wouldn't put a dollar return on it as he thinks it is a 10-15 year play. Mr. Markli stated maintaining a presence is important and an awareness thing to let people know we are there planting seeds and sowing ground is a worthwhile endeavor. Mr. Nixon stated it is wise for the Mayor and the Town Administrator to go. Ms. McLain-Tate asked who else was interested in going. Mr. Purvis stated he was interested in going. Ms. Sisco suggested mailing a flyer out to people attending the ICSC.

Sub Committee Reports

A. Business Recruitment and Retention

No update

B. Marketing and Development

No update

Status Updates

A. Town of Farragut-David Smoak

Mr. Smoak stated the Town has several developments ongoing but things are slowing as we head in the winter months. Mr. Smoak stated that housing was up from last year and had three more residential permits in December. Commercial permits were low until Costco came through with their building permit in November. The budget process will begin in February along with workshops with the Board in February. Mr. Smoak stated strategic planning sessions will take place over the next couple of months and the Town will hold another community forum sometime in March.

B. Farragut Business Alliance- Allison Sousa

Mr. Dangel discussed the Holiday Tree lighting event. There was minor issues under the canopies but overall had a great turnout considering the weather. Ms. McLain-Tate stated the only constructive criticism she heard was the audio. Ms. McLain-Tate stated having the children's choir made it a great event, the timing of the event was good, and we had great publicity on television. Mr. Dangel suggested more publicity next year. Mr. Dangel stated he received one suggestion to tie the Town's Celebrate the Season event and the Holiday Tree Lighting together, block Kingston Pike and Campbell Station Road and have a parade or march from the tree lighting to Town Hall. Mr. Purvis stated the event cost about \$1,000.

Ms. Sousa stated the FBA is wrapping up the Shop Farragut signs. Ms. Sousa stated the Shop Farragut

Program was down by 12 businesses this year. Ms. Sousa stated the FBA is now planning for Art in the Park which will be April 21 and 22.

C. Farragut West Knox Chamber of Commerce- Bettye Sisco

Ms. Sisco named several new memberships and that the Primrose School opened up on January 3, 2012.

Schedule for Future Meeting Times

The future meeting times will stay on the first Wednesday of every month at 8am.

Any other Business

Mr. Markli shared feedback from talking with Farragut Businesses. Mr. Markli stated we should work to achieve a desirable end with business and to give ideas to be helpful and positive.

Mr. Purvis made a motion to adjourn at 9:55 AM. Seconded by Mr. Markli. All voted in favor.

Next meeting Wednesday, February 1, 2012 at 8 AM.

X

Ginny McLain-Tate
Chairman