



MINUTES
ECONOMIC DEVELOPMENT
ADVISORY COMMITTEE
AUGUST 2, 2017
8:00 AM

Committee Members Present:

Brandon Hackett, Christine Horwege, Pamela Milliken, Marianne McGill, Ashley Shaffer, Jeremiah Webb, Carson Scott, Vice Mayor Ron Pinchok, David Smoak

Committee Members Absent:

William Britt, Samuel French

Staff Present:

Gary Palmer, Sue Stuhl, Wendy Smith, Jenn Hatmaker

Other:

Mayor Ralph McGill
Alderman Louise Povlin
Julie Blaylock, Farragut/West Knox Chamber
Andrea White, The Stokely Company
Bob Hill, Farragut Citizen

Alderman Ron Williams
Steve Krempasky, Farragut Business Alliance
Tim Williams, Farragut/West Knox Chamber
Alan Sloan, farragutpress

Call to Order

The meeting was called to order. A quorum was declared.

Committee members introduced themselves.

Approval of the Minutes

Ms. Milliken moved to approve the June 7, 2017 minutes. Vice Mayor Pinchok seconded the motion. All voted in favor. Motion passed.

Election of Officers

Vice Mayor Pinchok nominated Brandon Hackett as Chairman and Pamela Milliken as Vice Chairman. Mr. Hackett seconded the motion to elect Pamela Milliken as Vice Chairman. Ms. Milliken seconded the motion to elect Brandon Hackett as Chairman. All voted in favor. Motions passed.

Discussion of Town of Farragut Tourism Program

Mr. Smoak stated that the Town has limited staff and would need to hire a part time Tourism Coordinator to implement a tourism program and to coordinate with Visit Knoxville, the Farragut Chamber, and the Knoxville Chamber. Mr. Smoak stated that one possible way to pay for the Tourism Coordinator would be

through the Town's General Fund reserves. Mr. Smoak stated that changes at the legislative level could affect the budget in the future, including the elimination of the Hall Tax which is \$1,000,000 of the Town's budget, the Improve Act which moved extra money into the road fund but has to be used on roads, and the decrease in the food tax which also decreases the General Fund. Another possible way to pay for the position is to look at a dedicated revenue source for a tourism program which could be accomplished through a hotel/motel tax. Mr. Smoak stated that the county has a 5% tax on lodging, the City of Knoxville currently has a 3% tax on lodging, and Farragut currently does not have a tax on lodging; lodging tax in the areas around Farragut include Lenoir City at 5%, Oak Ridge at 5%, Alcoa at 2%, and Maryville at 1%. Mr. Smoak briefly reviewed the marketing plan from Girl on the Roof and a budget estimate for the program.

Ms. McGill asked what the estimated loss will be with the loss of the Hall Tax and the lower food tax. Mr. Smoak stated that the initial estimate provided from the Municipal Technical Advisory Service is an approximate loss of \$250,000 within three years, but will not know until the numbers come in. Mr. Smoak stated that the Hall Tax is being decreased 17% each year and will be gone in four years.

Mr. Krempasky asked if there is a list of tourism items; what brings tourists to Farragut. Mr. Smoak stated that research shows that the two main things that bring people to Farragut are shopping and food.

Vice Mayor Pinchok stated that he did a survey of hotels in Farragut, Lenoir City, and a few hotels at Cedar Bluff in the City of Knoxville. The City of Knoxville is charging 3% lodging tax, Lenoir City is charging 5% and Farragut does not have a lodging tax. Vice Mayor Pinchok stated that he asked each hotel what the rate per day is for Thursday and Saturday; all responded with a base rate not including tax. Vice Mayor Pinchok stated that the prices of the hotels in Farragut were between \$50-124 on Thursday and between \$61-116 on Saturday; 3% on a \$50 room would be an extra \$1.50 on the rate and 3% on a \$150 room would be an extra \$3.75 and asked if that would really affect someone staying. Vice Mayor Pinchok stated that there are two hotels in Farragut that have a location at Cedar Bluff and the Farragut locations were 15% and 18% higher for the same days than the Cedar Bluff locations.

Mr. Hill stated that if Knoxville adopts the ordinance they have planned now, we are going to see an immediate increase in Airbnb in Farragut which there is no plan or method for regulating. Mr. Smoak stated that Airbnb right now for the Town is a non-issue, but it may become a factor.

Status Updates

a. Town of Farragut: Presented by Mr. Smoak

- i. Sales Tax is up 12.6% for April 2017 and is up 3% overall Year-To-Date
- ii. Ordinance Changes:
 - a. Changes to the elevations in the Town Center District (Village Green, West End Plaza, Ford Property, and Old Kroger building) will go before the Board for second reading. Right now, a two-story look is required; it does not have to be a function second story, but has to appear to be two stories. Have found that the cost is too high to make the rent rates work, so going to the Board to ask that it be lowered back to one story with an iconic feature on the corner.
 - b. Rezoning for the property at the southwest corner of Watt Road and Kingston Pike from Commercial to Planned Commercial Development which allows residential and commercial uses on the same property. Concept plan would be approved with the rezoning. Looking to do 216 apartments with around 85,000 square feet of commercial.
- iii. The Dollar General Store on Kingston Pike, the Villages of Farragut senior living facility, and Autumn Care at the corner of Heron Road and Campbell Station Road are under development.

- iv. So far this year, 86 new residential building permits issued for a total of around \$31,000,000
- v. Last month, new commercial development value was \$6,300,000 for the Autumn Care facility and the Dollar General Store
- vi. The east side of West End Plaza will begin façade renovations this fall
- b. Farragut / West Knox Chamber of Commerce:** Presented by Ms. Blaylock
 - i. 18 new members in June and July; 6 of those are in the Town
 - ii. 9 networking events in June and July; 2 of those were in the Town
 - iii. 8 ribbon cuttings; 4 of those were in the Town
 - iv. Julie Blaylock completed Institute for Management credit hours
 - v. The Chamber participated in the 4th of July Parade
 - vi. Julie Blaylock was inducted into the Farragut Rotary
 - vii. 5 networking events scheduled in August; none in the Town
 - viii. The Breakfast Speaker Series will be on August 22 at Fox Den
 - ix. New Member Orientation will be September 12 at Town Hall
 - x. The 23rd Annual 5K and Pet Parade will be on November 11
- c. Farragut Business Alliance:** Presented by Mr. Krempasky
 - i. Believe approximately 1100 people attended the Red, White and Blues Jam; 28 business participated in the event
 - ii. Currently in the middle of the Farragut Treasure Hunt; 12 business involved in some capacity
 - iii. Dog Daze will be on September 15-17 in the Village Green Shopping Center parking lot
 - iv. Working with the Knoxville Track Club on a post-race party for the half marathon on October 28
 - v. 320 business on the business directory
 - vi. Over 2500 social media followers

Any Other Business

Mr. Smoak stated that the News Sentinel Golf Open will be in Town August 17-20; brings approximately 30,000 spectators. The Solar Eclipse event at McFee Park will be on August 21 starting at 1pm.

Ms. Stuhl stated that a link will be sent out within the next week for a survey about the strategic plan.

Ms. Milliken moved to adjourn. Vice Mayor Pinchok seconded.

Next meeting: Wednesday, September 6, 2017 at 8 AM in the Town Hall Board Room