

MINUTES

URBAN RENEWAL AND ECONOMIC DEVELOPMENT COMMITTEE MEETING

5:00 P. M., APRIL 4, 2019

A/V CONFERENCE ROOM

Brent Burton, Chairperson, called the meeting of the Charleston City Council Committee on Urban Renewal and Economic Development to order at 5:00p.m., APRIL 4, 2019, in the Audio/Visual Room in City Hall.

Committee Members Present:

Brent Burton, Chair
Tiffany Wesley-Plear, Vice Chair
Ben Adams
Naomi Bays
Caitlin Cook
Jennifer Pharr
Bobby Reishman

Others:

Mayor Goodwin
Susie Salisbury
Larry Malone
Matt Sutton
Vic Grigoraci
Commissioner Ben Salango

1. Update from MOECD –

Larry Malone gave the committee handouts concerning the Opportunity Zone Program. He stated that the program was enacted by Congress, signed by the President and co-sponsored by Senator Capito. There are 4 opportunity zones in Charleston: Downtown Central Business District, Warehouse District/East End, Near West Side/Elk City Area and Kanawha City. The Governor selected the opportunity zones based on the 6 areas that were submitted.

He explained that Opportunity Zones are a way to attract private capital for investment activities, primarily for building/renovating or investing in existing businesses/start-up ventures. It is geared towards those individuals that have capital gains to put into an Opportunity Zone fund, which will avoid the need to pay the Federal Capital Gains Tax. Those funds will be invested in projects; there are guidelines for this. He clarified that it is not a loan but rather an investment in equity.

Larry Malone stated that they are working to identify some prime projects (property owners etc. that are looking for potential investment). The Advantage Valley Organization has money to conduct direct marketing to Opportunity Zone Funds across the United States, and will be doing this for Huntington, South Charleston, and Charleston Opportunity Zones. The program started January 1, 2019, however the Treasury Department has not yet issued the final rules. It is a 10 year program. Investments made in 2019 and 2020 accrue the most benefits. Additionally a local business/organization that has capital gains can use them to set up their own Opportunity Zone Fund.

Councilmember Reishman mentioned that he thought the capital gains goes away over a period of time. Larry Malone added that that he wasn't sure of the details, but there was a quantifiable tax benefit. Vic Grigoraci added that when capital gains are invested in the Opportunity Zone, that gain taxation will be deferred for 10 years then taxes will need to be paid. When the investment is sold after the 10 year period that gain is not taxed. He further added that he would like to see more seminars from Charleston Area Alliance so that more members of the public/potential investors can recognize the benefits of the program. Larry Malone added that he agreed (3 seminars have been held so far). Also, the City is looking to hold an event to promote the project and other opportunities.

Councilmember Pharr clarified that the program can be used by existing businesses. Larry Malone added that it is considered another source of capital; instead of a loan it would be an equity position. Matt Sutton also added that there are a few restrictions. For example, the entity cannot be 100% owned by the current business owner.

2. Update on Shawnee Sports Complex –

Councilmember Burton introduced Commissioner Salango to update the committee on the Shawnee Sports Complex. Commissioner Salango stated that travel sports is a \$15 billion/year industry. The Shawnee Sports Complex is roughly a \$17 million investment.

He added that lighting on some of the fields are currently being installed. 6 lacrosse/soccer fields are fully turfed and lit. No other complex in the country has 4 turfed baseball/softball fields with movable fences, movable back-stops and movable mats. This allows the fields to be adjusted to multiple groups (college, little league, etc.). Additionally, softball is the #1 travel sport in America. There are 27 acres of flattened, irrigated grass which can fit 12 full size soccer/football fields.

They have currently hosted a few 40-team tournaments and a 100-team tournament (about 6,000 people). They have been able to identify their deficiencies (restrooms, concessions, parking and traffic), which they have been able to fix. The next tournament will be the 130-team WVFC Capital Cup. A 296-team tournament scheduled for June 28-July 3, 2019, Eastern Regional Soccer Cup, is expected to bring in at least \$24 million in economic impact.

Commissioner Salango stated that there is a disconnect with local businesses in that they do not know what to anticipate during these tournaments. They are working on creating an email to send to all businesses describing the events, dates, number of people expected. A mass email will also be sent to participants describing local establishments/place of interest for down time. Brochures will also be available.

Councilmember Pharr pointed out that the tournament in June will coincide with FestivAll, and she would be willing to visit local establishments to inform them of the increase in business. Commissioner Salango added that they are calling business to inform them as well. There will also be bags with various coupons/promotions.

Councilmember Pharr asked if information tables could be set up; Commissioner Salango answered yes. Councilmember Reishman added that rental car information would be helpful. Councilmember Wesley-Plear said that having additional trolley services would be helpful. Commissioner Salango replied that KRT would be operating and possibly additional shuttle services from West Virginia State. Mayor Goodwin asked if they worked with the CVB in regards to information given to the participants; Commissioner Salango answered yes.

3. Business Appreciation Week Project –

Susie Salisbury, from the Charleston Area Alliance, addressed the committee. The City of Charleston and Charleston Area Alliance jointly applied and was awarded a grant through the Greater Kanawha Foundation. Their goal is to visit with a variety of business owners for approximately 15-20 minutes, gather baseline data and try to discover any particular issues regarding the owners not knowing who to call to resolve them. They will work together with the Ward Councilmembers to visit selected businesses in their Ward. The goal is to visit 50 businesses in a realistic time frame (1 week-1month).

She had distributed a draft of the survey to be given to business owners and asked the committee for their input/suggestions. Councilmember Reishman offered to visit some businesses as an At-Large representative. Mayor Goodwin mentioned that City representatives had similarly been visiting businesses and that information gathered can be shared with the Charleston Area Alliance. Councilmember Bays suggested adding a question as to what the square footage of the business is and whether they rent or own. Councilmember Wesley-Plear suggested asking whether the business owner was a Charleston resident.

Susie Salisbury stated that a report will be generated and shared publicly after the visits have been conducted, making special note that individual comments will not be reproduced.

4. Discussion –

Referring back to the discussion about tournaments, Councilmember Pharr emphasized the large number of people (especially children) that will be in the area. She suggested inviting groups (Convention Center Board etc.) to tour the Sports Complex to fully understand the positive impact of these tournaments. Councilmember Bays stated she believed the CVB was fully aware of the impact since they have been courting some of the teams.

Councilmember Bays asked if the committee had a mission statement. Councilmember Burton answered that the committee only previously met possibly twice in the past ten years. Mayor Goodwin offered that with new developments, such as the Opportunity Zones, having the committee meet more frequently is an opportunity to inform them what the administration is working on since the current administration is taking a more

active role is regards to economic development. They will be looking for feedback and comments from the committee as well. Councilmember Burton said he thought meeting monthly for the foreseeable future would be a good idea. Councilmember Reishman suggested planning recurring meetings. It was decided that the committee will meet the 1st Thursday of the month at 5:30 p.m.

Councilmember Bays said while she wasn't sure which committee it would fall under, she would like to see an improved Shop Local Campaign. She also suggested having a generic Shop Local banner to be hung in spots that aren't filled. Likewise, Councilmember Wesley-Plear stated that there had been previous discussion about putting signs in business' windows for promoting the space in conjunction with Shop Local. Councilmember Bays mentioned, in regards to Wayfinding, having informational signs at the highway off ramps for travelers. Mayor Goodwin said there were numerous and strict restrictions for such signs, but they would research it further.

Councilmember Pharr motioned to adjourn the meeting. Councilmember Wesley-Plear seconded.

Meeting adjourned.