



**MEETING MINUTES
Citizen Bond Committee**

**Meeting of the Economic Development
Residential Sub-Committee
May 19, 2016
12:00 p.m. – 1:30 p.m.**

2nd Floor Economic Development Conference Room
Farmers Branch City Hall
13000 William Dodson Parkway
Farmers Branch, Texas 75234

1. Call To Order

- a. Nic Rady called to order at 12:12 pm.

The following members of the Farmers branch Citizen Bond Committee
Economic Development – Residential Sub-Committee were present:

Nic Rady, David Merritt, Linda Argo Bertl, Martina De Los Santos, Artie Palmer

Absent: Margaret Stidham, Becky DeGrasse

City administration present:

Allison Cook, Economic Development Manager

2. Approval of the minutes from April 21, 2016

- a. Motion to approve the minutes by David Merritt
- b. Second by Nic Rady
- c. Motion passes

3. Review benchmark cost definition

Nic Rady, proposed the following definitions for cost benchmarks:

- a. Hard Cost: Physical construction of development
- b. Soft Cost: Fees, not related to construction, but pertain to it.

The sub-committee members were in agreement.

4. Discuss City Renaissance and take appropriate action
 - a. The sub-committee members discussed and agreed on changing the name to Neighborhood Renaissance.
 - b. Allison Cook stated that as of April 2016 the “Dangerous structures fund” has been exhausted. In over a course of 6 years 36 properties have been purchased and demolished at a total cost of \$3.2 million dollars. This fund helped for tax revenue increase, but it was exhausted. David Merritt inquired why the City cannot have the fund again. Ms. Cook stated that currently there is investor’s interest in dangerous structures; the City is constrained by legal issues. Currently the problem still persists with a large number of dangerous properties, abandoned homes, hoarders, etc.
 - c. Nic Rady added that 10% of the single family homes in Farmers Branch (900 out of 9000) are considered in poor condition or worse. The Neighborhood Renaissance Program could jump start 10% of those (90 homes). He suggested Ms. Cook to help in determining what will be the budget for funding the renaissance of 30 homes and how this amount will project into the required tax increase. Linda Argo Bertl noted that the home value increases at 9% annually and Martina De Los Santos noted that the cost for the purchase of these properties recovers after the sale and the funds can be re-used. David Merritt explained that on a \$100,000 budget per home, \$75,000 would be used to acquire the property, \$25,000 – for demolition. The re-sale revenue might be \$85,000, which results in \$15,000 loss per property.
 - d. The sub-committee members formulated the following questions and action items:
 - i. What is the actual loss per sale on record (Allison Cook)?
 - ii. What is the current asking price range (Allison Cook, Linda Argo Bertl)?
 - iii. What is the average property sale price on MLS, for area 22 (Carrollton / Farmers Branch) (Linda Argo Bertl)?

5. Discuss Dangerous / Distressed Properties and take appropriate action

The sub-committee members agreed, as discussed previously, bonds can no longer be used for Dangerous / Distressed Properties.

6. Discuss Demo / Rebuild Program and take appropriate action
 - a. Allison Cook provided the insights of the Demo / Rebuild Program, currently

in place with the City of Framers Branch:

- i. The City doesn't own residential properties. The program is targeted to Farmers Branch residential property owners, willing to invest in demolition and rebuilding.
 - ii. The City reimburses the owner with \$5,000 of the demolition cost. Demolition is required. The average cost of demolition is \$10,000 to \$15,000.
 - iii. 45 property owners have taken advantage of the program, since its inception in 2009. There is no requirement for homestead; investors can apply for the program as well.
 - iv. There are no requirements or restrictions on the square footage of the new construction.
 - v. The program is funded through Façade Grant Fund, which amounts to \$250,000 annually. 10% to 15% of the annual amount is saved for future needs. The Façade Grant Fund is to be used only for commercial property.
- b. The sub-committee members further discussed the possibility Demo / Rebuild Program to be listed as a separate line item under Neighborhood Renaissance Program, which may allow:
- i. To increase the Demo/Rebuild incentive from \$5,000 to \$10,000.
 - ii. Compensate for the lack of inventory, through encouraging property owners to rebuild
- c. Action Item: Estimate the amount of funding needed for the next 7 years (Allison Cook).

7. Discuss City Branding and take appropriate action

This item was deferred for discussion the next meeting

8. Discuss Senior Housing and take appropriate action

This item was deferred for discussion the next meeting

9. Discuss House to Condo Swap Program and take appropriate action

This item was deferred for discussion the next meeting

10. Discuss Privately developed Neighborhoods and take appropriate action

- a. Nic Rady provided a map of Farmers Branch, identifying the privately developed neighborhoods. He stated that the only feature separating Oakbrook

Estates from the rest is in terms of utilities, as the developer has elected having one common meter, and the utility cost to be split between the 155 residencies (Monthly dues are \$275 water/sewer) . He stated that Oakbrook Estates is unfortunately in a unique situation, and there is no benchmark to compare to. The HOA owns the streets and all utilities run under the streets. It is all private property

- b. The sub-committee members had the following questions, suggestions, action items:
 - i. The HOA may apply for a private loan to do the necessary repairs and re-pay the loan. The City cannot participate.
 - ii. Find out how is the land plotted (Artie Palmer).
 - iii. Can Oakbrook legally deed the streets back to the City (Allison Cook)?
 - iv. Can a Bond legally take care of such private problem?
- c. Discussions on this item will continue at the next meeting.

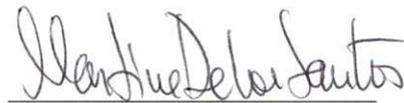
11. The next sub-committee meetings are scheduled for May 25th (a make-up meeting for May 5th).

12. Adjournment

- a. Motion to adjourn by Nic Rady
- b. Second by Linda Argo Bertl
- c. All were in favor
- d. Meeting was adjourned at 1:30 pm.



Nic Rady



Martina De Los Santos