

I. CALL TO ORDER

President Dennis W. Johnson called the meeting to order at 8:00 AM.

II. ROLL CALL

Present were: President Dennis W. Johnson, Commissioners Joe Frenzel, Shirley Dukart and Carson Steiner

ABSENT

Via Telephone Gene Jackson

1. PILOT (PAYMENT IN LIEU OF TAXES) PRESENTATION

City Administrator Shawn Kessel gives a brief description of the PILOT (Payment in Lieu of Taxes) program. Kessel briefly explains the State Law in regards to a municipality. Pilot can be established by the City Commission for any amount of taxes due, any amount of years up to 20 years, the amounts can be adjusted year to year, or all taxes could be abated for the property. This Pilot program is beneficial to the community as a whole. The amount of taxes collected can be distributed as seen fit to taxing entities, schools, parks and recreation, etc. Kessel elaborates on the sites the new units would be located at. This property was purchased by MetroPlains. Kessel explains the request is coming from MetroPlains because of the added expense of correcting the grade at the 4<sup>th</sup> Avenue and 23<sup>rd</sup> Street West site, to add an electric heat pump and to access roads on two new sites. These units would be town home style developments with 2 bedroom units and a few 3 bedroom units. Kessel explains there are additional incentives that are being requested by MetroPlains.

City Attorney Matt Kolling states there are two separate programs under the century code; tax exemption which would exempt a certain percentage of value of property or the assessor determines a percentage to exempt from valuation. The second option would be to determine a specific dollar amount that the property owner will pay for each specified year, no valuation of the property for tax purposes and just a yearly set amount owed. Kolling states that the exemption can be any percentage up to 100%.

Gary Stenson, President MetroPlains Development LLC states MetroPlains has been developing affordable housing in Dickinson for the past 25 years. Stenson states that he has received City assistance with Villard Terrace housing units as well as Meadows apartments. Stenson feels there are only a few financial institutions that will work with small communities in providing funding. Rent is usually set at a certain price, the tenant then pays a percentage of their yearly income towards the monthly rent and the remaining monthly rent is paid by HUD. The tenant's rent would only be affected should their income rise or fall within the year. The maximum yearly income a tenant can earn is \$35,000. Stenson states if the funding is not provided the project may not get done. He also explains with the Pilot's funding the project could be done appropriately using efficient cooling and heating systems along with the proper site grading.

President Johnson states if the Pilot program is not funded the tenant would not be affected but what may be impacted is the quality of the structure.

Commissioner Dukart feels the heating and cooling is a major item to be considered so that the tenants are not asking for heating assistance.

Stenson also explains the Section 8 Housing Assistance Program through Stark County which is where a tenant can provide the landlord with a voucher instead of figuring the rent based on their income.

President Johnson wonders about the federal government and the continuation of this program.

Stenson states the home mortgage has a bigger impact on the budget then does low income housing. He feels this Section 8 housing is secure at this time but no one ever knows what can happen.

Administrator Kessel states that working with Mr. Stenson and Mr. Tooz has been very easy and thanks them for their cooperation.

Commissioner Frenzel asks City Assessor Zent to review how much money was generated by Riverview Gardens. Assessor Zent will review this and report this information to the commission.

Commissioner Dukart is wondering if MetroPlains will be asking for the City’s builder exemption also for remodeling and building.

Stenson states should MetroPlains receive the Pilot funds they will not be applying for anymore assistance from the City programs. Stenson states a market study was done in Dickinson in order to obtain more Section 8 housing. He feels there is a demand for low income housing in Dickinson as the occupancy is very high. Stenson also states there are a limited amount of developers that are interested in Section 8 Housing programs. He did state that MetroPlains will be submitting their applications these coming weeks for more funding incentives. Stenson feels that with the need of low income housing, energy impact in the area and the existing housing loss the funding sources will be favorable. Stenson states he would like to hear from the Commission no later than the end of March.

Commissioner Frenzel is concerned that if the City allows the Pilot funding program to MetroPlains how many other developers will be coming forward asking for assistance.

Assessor Jan Zent explains the tax exemption programs the City now offers.

Attorney Kolling did state a notification was to be published 15-30 days prior to the City commission making their final decision. This publication is the project developer’s responsibility.

**2. ADJOURNMENT**

MOTION BY: Shirley Dukart                      SECONDED BY: Joe Frenzel  
For adjournment of the meeting at approximately 9:00 a.m.  
DISPOSITION: Roll call vote...Aye 5, Nay 0, Absent 0.  
Motion declared duly passed.

OFFICIAL    MINUTES    PREPARED    AND  
APPROVED BY:

\_\_\_\_\_  
Rita Binstock, Assistant to City Administrator

\_\_\_\_\_  
Shawn Kessel, City Administrator

\_\_\_\_\_  
Dennis W. Johnson, President  
Board of City Commissioners

Date: \_\_\_\_\_