

WAYS TO PROMOTE BUILDING IN KEARNEY MEETING

February 5, 2009

ATTENDANCE:

Mayor Dane	Jim Eldridge	David Pavlich
Shirley Zimmerman	Alderman Couchman	Alderwoman Hayes
Alderman Holt	Jay Bettis	Bob Pence
Keith Doss	Larry Hampton	Jim Carlson
Chip Glennon	Paul McElwee	Bob Hurst
Bill Estes	Dave Hinck	Steve McDonald
Phyllis Strobel	Jason Hoyt	Gary Couchman
Larry Pratt	Gary Shanks	Don Laffey
Stephanie Hartzler	Kevin Smith	

WELCOME Mayor Dane welcomed everyone to the meeting. He said we will spend an hour with discussion. We will then take a thirty minute lunch break and then return for a thirty minute final wrap up.

PURPOSE Mayor Dane said the purpose of this meeting is to bring together a group to help make a difference in Kearney during the hard economical times. He said we need to increase building inside Kearney.

Mayor Dane said last year we issued twenty three permits, which was down from seventy-five the year before. He said we are only putting ten permits in the budget for this year. He said the City is still strong financially but will probably miss water and sewer revenue by about \$225,000 for the current budget year. That is due to decrease in building permits and a wet summer.

Kevin Smith, Editor of the Kearney Courier, said he is here today because he is interested in the end product of the discussions. He said for everyone to feel free to talk because he wouldn't be printing quotes with people's name in his story. He said if he was interested in quoting someone he would contact them first.

Mayor Dane said what we want from these discussions is two parts. We want to be able to help small businesses and the construction industry. He said he would like to develop a tool kit for small businesses.

SMALL BUSINESS Mayor Dane said KADC is willing to provide a business consultant free of charge to small businesses trying to make their business work. He said they are considering maybe doing small low interest loans for short periods of time to small businesses struggling.

Mayor Dane said Bob Pence had purposed doing a bill board advertising our schools, which is the selling point for our community. Mayor Dane said there is a LED billboard at the Paseo Bridge we could rent for six months for \$10,000. He said maybe we could get thirty or forty businesses to all chip in to pay for the advertising.

SMALL BUSINESS-CONT Mayor Dane said Monday the Board of Aldermen passed a Resolution in support of the No Tax Increase Facility Bond issue for the School District. He said what is good for the Schools is good for the City and vice versus. He said all the surrounding schools already have these types of facilities and we can't remain competitive in regard to schools if we don't do this. He said the School District drives the growth of Kearney.

Mayor Dane said if a group of local businesses are interested in advertising the Kearney Courier will give them a reduction in rates.

Mayor Dane said we need to work on developing interactive websites to promote our community for people interested in coming to Kearney. He said Molly McGovern, KADC, will be going to each business in the near future to see what they would like to see in a tool kit for small businesses.

CONSTRUCTION Mayor Dane said we must increase building inside Kearney. He said the average building permit fees are \$6,000. He said he is going to propose to the Board of Aldermen that for six months we cut the fee in half. He said then for the next six months we would require one half the fee at the time they pull the permit and the rest when they sell the property.

Mayor Dane said the City can't do it all. It will take everyone helping out. He said we have subdivisions that are owned by the Banks in our community. Maybe they would offer fixed rate thirty year loans on the homes and lots in their subdivision. He said maybe Porter Lumber would offer a small discount if you bought all your building materials from them. He said maybe the Real Estate agent would lower his rate for a small time. Hopefully something like this would generate thirty to thirty-five permits.

Bob Pence, Pence Plumbing, said we have to shake the tree and get the media attention that we are doing something. He said maybe we have a moratorium that says we build no multi family dwellings for one year. We need single family units for the young people.

Mr. Pence said it appears like the City is the only entity that has money. He said the Schools are the main reason people move to Kearney and we need to really market that information.

Jim Carlson, residential builder, said he liked the billboard idea but believes we need a different location. He said it's so congested at Paseo Bridge right now. He said he thought somewhere close to the entrance to Liberty City limits would be better.

Mayor Dane said we do need affordable lower cost housing in our community again. The entry level housing gets young people to Kearney and then they can step on up as they can afford it.

Mayor Dane asked what anyone's feelings were about building permit fees. Mr. Pence said we need numbers. He said he would like to see us do a two for one where they have to pull two permits but only pay for one permit now. You would waive the fee on second permit or have it come due when they sell the house. He said it should be limited to only doing this three times in the year and they have to be built in 2009.

CONSTRUCTION-CONT Jim Carlson said the real problem is in the banking community. He said any bank that has received TARP money can't make spec house construction loans. They are considered commercial and no TARP money can go for commercial development.

Mr. Carlson said the reduced prices on foreclosure homes have hurt the appraisal of new homes. He said when they get ready to do an appraisal they compare four or more homes that have recently sold in the area. These foreclosure homes are going for the amount of the loan and not the value of the home.

Dave Hinck, Kearney Commercial Bank, said his bank didn't get TARP funds and does have some money available for residential construction. He said there are very stringent rules to qualify though.

Jason Hoyt, First Missouri Bank, said they have money available also. He said the qualifications for spec houses are very tight right now.

Chip Glennon, Coldwell Banker Glennon, said the declining market is really affecting financing and closing on properties at this time.

Dave Hinck said if the bank is keeping the loan in house it's not too difficult but if they send the loan out it is really tough right now to get the loan through.

Steve McDonald said we can't control the housing and banking situation at this time. He said he did like the idea of two for one permits. He said he also liked the billboard idea to get the word out about Kearney.

Bob Pence said if we want to bring people to Kearney we must market our product which is the Schools. We don't have the shopping centers, etc. to draw people to Kearney.

Keith Doss, Kearney Trust, said the key right now is the market. He said people either aren't selling at all or selling at a loss. He said there are very strict rules.

Mayor Dane asked if the money in the second federal package would be going to smaller banks. Mr. Doss said he had received information on it and applied but wasn't sure if he would take it. He said they really control how you can use it. He said it is a very expensive loan. He said they pay 5.7 percent for first five years and then it goes to 13 percent after that.

Mr. Doss said our biggest problem is convincing people that we aren't on the Iowa line. He said people in the City and Johnson County think Liberty is the suburbs and we are the Iowa line. He said gas prices control our growth as much as anything. He said the only times growth declines are when gas prices start going up. He said we went through this in the 70's when gas prices took a big jump.

Bob Pence said he finds the best advertising he does is on the radio. He said we might consider spots on the radio also.

CONSTRUCTION-CONT Jim Carlson said Ford executives will look out our direction and then go to Johnson County. He said they don't understand how easy it is to get from Kearney to most anywhere in the City. He said they are talking about a \$15,000 rebate for buying a home. He said this might help but they still have to be able to get a loan. He said the banking industry is the one really controlling this.

Mayor Dane said maybe we should offer a gas card for anyone buying a house in Kearney. Keith Doss said the best thing to do is to never mention gas prices when selling Kearney.

Phyllis Strobel, Kearney Chamber of Commerce, said as a Chamber they try to stress that we have more places to eat and shop. She said she thinks it does hurt that we only have one entrance and exit from the City.

Mayor Dane said before we take a lunch break he would invite Stephanie Hartzler, School Bond Committee, to speak. Ms. Hartzler said sports in a community can be a business of its' own. She said by having facilities and hosting events it brings good revenue into the community.

Ms. Hartzler said gas prices have slowed growth in the School District. She said now is the time to do a bond issue for sports facilities while we aren't building buildings. We need to update our facilities to stay competitive with the surrounding communities. She passed out a flyer showing how much revenue could be generated by hosting sports tournaments in our community.

Ms. Hartzler said the only way you can get revenue for teacher salaries, books, etc. is with a levy increase. She said we can't pass a levy at this time. This won't affect putting a levy on the ballot when the economy picks up to support the teachers.

Ms. Hartzler encouraged everyone to come out and vote for this bond issue to keep our School District competitive with the surrounding schools.

Mayor Dane dismissed the group for a lunch break.

SUMMARY OF IDEAS Mayor Dane said he would like to come up with a list that we as a group could package and use to sell our community.

Jenny Hayes said she liked the idea of the tool kit but thought we maybe need one for businesses and one for families.

Mayor Dane said he liked Bob Pence's idea of offering the two for one building permit fees to encourage more permits being pulled in 2009.

Jim Carlson said maybe we should look into the Green Program and encourage building energy efficiency homes.

Chip Glennon said he thought we should consider altering the lot density and have different prices. He said he would like to see us lower the minimum size of the lots and then encourage

SUMMARY OF IDEAS-CONT the developer to have different price ranges of homes so families can upgrade within the same subdivision.

Dan Holt said we need to develop an ad campaign to change the mind set of the public in regard to Kearney. He said we need to promote the City more and change the mind set that we are just a bedroom community.

Larry Hampton said we need to emphasize the fact that we are not so far away from the City. He said it's always good to say we are so many minutes from some place. He said most people don't realize how fast you can get from Kearney to most places in the City.

Jenny Hayes said we need to do advertising campaigns to promote the small town atmosphere but stress our schools, amphitheater and sports fields.

Bob Pence said the City is the best source of information for the public. People really use the internet anymore and go to websites. We need to have as much information as possible on the City website.

Phyllis Strobel said the Chamber of Commerce is considering the idea of having luncheons and having different speakers speak on educating the small businesses on how to succeed. She said they also have a brochure marketing Kearney now and could work on preparing something more in depth to help the current economic situation.

Jim Carlson said the home tours/home shows held each year is a good place to market Kearney. He said we need to get more homes to be listed in this. He said there are still openings for booths at this year's show.

Bill Estes, Platte Clay Electric, said they have a booth in the show. He said the City could have some space with them if they wanted to be there. It was suggested that maybe we should print 5,000 brochures and have them there.

Bob Pence said we need to have some big splash to get the media on our side. He said he didn't have any ideas on what, but if you once get some media on your side the rest tend to follow.

Mayor Dane said we may have to decide to spend between \$50,000 and \$75,000 on billboards, etc to call attention to Kearney.

Chip Glennon said he believes you need to do something radical. He said maybe we should offer a moving voucher if you buy a house in Kearney. He said to get the housing market to improve we may need builders, real estate agents, banks, developers, etc. to each join in and offer some type of discount.

Bob Pence said it will take a unity of the community to make any of this work.

Larry Pratt said he thought we should tie the amphitheater into this. Mayor Dane said we could advertise at the amphitheater from May through September.

SUMMARY OF IDEAS-CONT In summary it was decided that we need incentives such as local banks offering low interest rate loans, building permits fees reduced or staggered, pay to move families to Kearney, discounts and special promotions from local businesses and promote our amenities such as the amphitheater, schools, parks, small town atmosphere, low school tax rates, etc.

We also need to promote marketing by using billboards, LED boards, radio, brochures, home shows or tours and develop promotional kits for businesses and families.

Mayor Dane said we will work on these details and hopefully in sixty days or so we will have something to go forward with.

Mayor Dane thanked everyone for attending and said for anyone with ideas or willing to help, to be sure and contact the City.