Economic Development Advisory Board Meeting Minutes

November 6, 2020

I. Call to order

Chair Chuck Goad called to order the regular meeting of the Economic Development Advisory Board at 3:30 PM on November 5, 2020 at Memorial Hall.

II. Roll call

The following members were present:

Chair Chuck Goad (7-0) (by phone)
Vice-Chair Wayne Stephany (7-0)
Secretary Tony Royse (7-0)
Lori Kelley (7-0)
Jason Curtis (7-0)
Paul Yaroslaski (5-2) (by phone)
Trisha Purdon (Ex-Officio)
Lisa Wilson (Ex-Officio)
Tabitha Snodgrass (Ex-Officio)

The following members were absent:

Jim Correll (resigned)

The following staff were present:

City Manager Kelly Passauer
Assistant City Manager David Cowan
Finance Director Lacey Lies
Administrative Aide Lydia Collins

The following visitors were present:

Brian Williams, Labette Health

Dean Hayse, City Commissioner (by phone, then in person at 3:53 p.m.)

III. Approval of minutes from last meeting

A motion was made by Lori Kelley to approve the minutes from the October 6, 2020 meeting, which was seconded by Paul Yaroslaski. The motion passed unanimously.

IV. Items Requiring Action

a) Consider a request from Labette Health for funds to expand the Independence Healthcare Center

The City Commission and Hospital Board are looking at different numbers than the Economic Development Advisory Board presented. Lacey provided cost benefit analyses to the Commission and Brian Williams is present to explain what Labette Health is looking for.

Brian began to explain that the idea for $2,000,000 came from one of the City Commissioners and we expected the staff to come forward with what they could offer. This went back to the $3,000,000 that was in effect when Mercy was leaving. We are committed to honoring our commitment to the City of Independence. There was a punitive clause that did not allow the City to give preferential treatment to any hospital. Last summer a committee was formed for strategic planning and they were asked to find sustainable long-term healthcare. Outpatient services are more profitable than an ER. The community got involved and gave input and it was decided that if we pool our resources and work together, we could go forward. When you are owned by a large health system there are problems at the individual hospitals and clinics. We have a great relationship with Freeman because they are independent. We have been approved for expansion but because we are expanding in Parsons, we do not have the capital here. I need $2,000,000 over a period of time to get the expansion going. We respect this group that has put these figures together. We worked to put a business plan together.

Lori Kelley stated that the Economic Development Advisory Board resources are very small, and the board was put together to save small businesses.

Trish Purdon asked if the expansion would help with the revenue to keep the ER in the black.

Brian explained that the ER is operational whether there are patients or not. In Lawrence they passed a health care district and there could not be any other competitors, which any city could do, and that would sustain an ER. More Outpatient services would add revenue. Giving up inpatient beds to only have outpatients is also a way to save.

Trish asked what would happen if Brian is no longer around. How does the community know that this plan will continue?

Brian said there are two openings on the hospital board, and I would like to see someone from Independence be on the board that everyone can trust.

Kelly Passauer asked what the committee wants to do now.

Lacey Lies asked if all the relevant data is in the model, and whether more data be gathered. We based our decision off the ratio's. Does this board think the recommendation was based off the analysis or what this board can offer?

Lori Kelley stated that it was both.

Chuck Goad reminded everyone that this board already has rules set up and they should be followed. If the Commission wants to do something different than the Economic Development Advisory Board's recommendation that is up to them.

Lacey Lies said one of the drivers is whether it will bring more people into the City and is that reflected in our analysis.

Chuck Goad said that we can have Labette fill out another form, but it would not change anything.

Lori Kelley said she is comfortable with what Lacey presented.

Chuck Goad agreed and said that was given to the Commission, so this board's work is done and it's up to the Commission if they decide a different amount.

Lacey Lies asked if the recommendation could be reworded to include asking; "What would be the purpose of this board if all the funds were exhausted on one project?".

Tony Royse said that he thought the Board should have given the full amount to Labette, that there was no comparison between healthcare and small business.

Wayne Stephany said he did not think it would hurt to have the subcommittee look over the recommendation again.

Chuck Goad said we cannot afford to recommend amounts that do not fit in our scope model.

Lacey Lies is asking if we want to reevaluate based on the ratio of 2.52.

Wayne Stephany asked if the Commission asked us to reevaluate the recommendation.

Dean Hayse stated that it was to be given back to City Staff.

Wayne Stephany moved that the subcommittee reconvene and go over the recommendation and bring it back to this board. Tony Royse seconded. Motion carried.

b) Consider a request to establish a "Neighborhood Exterior Grant Program".

Dean Hayse, Commissioner stated that we have had companies that have looked at Independence and have found the housing to be a stumbling block. I would ask that we extend money to a low-cost grant program for housing exteriors. I suggest a $5,000 matching grant per address with the listed restrictions. My request is that you would give the go-ahead and assign a subcommittee who could begin.

Tony Royse asked if they would get a revitalization grant as well as the exterior grant?

Dean Hayse stated that yes, they should work together.

Tony Royse asked if Dean was concerned with what kind of repairs would be made.

Dean Hayse said that yes, and the committee would decide considering all of the structure.

Wayne Stephany asked who would oversee this process.

Dean Hayse said he would be involved but wants help with a subcommittee.

Chuck Goad asked if Dean envisioned involvement by the Housing Department.

Lacey Lies asked about them administering the program.

Dean Hayse stated that all monies need to come from the City.

Chuck Goad said he envisions that the Board's role would be to approve and fund the project. A subcommittee could be put together out of other entities and the City could approve and issue payment. I think we should put together everything before we go forward.

Wayne Stephany said he agreed and was concerned about several aspects. A lot of thought should be given to the process itself.

Lori Kelley agreed that it was a great idea, but she wondered if Housing was aware of this.

Dean Hayse said the Housing Authority has a specific group of qualifying people. These people could also benefit from this grant.

Paul Yaroslaski said he wanted to make sure the Housing Authority was fully aware of this.

Chuck Goad suggested a committee from Housing, this board and other organizations be put together to figure out the whole process. Then it would come back to this Board to see if it would be funded for the next year.

Tony Royse asked if Dean saw a problem with rental properties.

Lacey Lies said this is to improve housing.

Dean Hayse agreed and said it is to improve how the houses look.

Lacey Lies said this is why there is an application period.

Dean Hayse said you could pilot this in a certain neighborhood and then it could be fine-tuned and go city-wide. Other cities that are doing this could offer insight.

Tony Royse and Wayne Stephany volunteered from the Economic Development Advisory Board. Trish Purdon is on the committee for Coffeyville and will help the subcommittee.

V. Items for Discussion

A. Open issue/summary of discussion

Chuck Goad, Chair, moved that Wayne Stephany, Vice Chair, could sign the minutes for him any time he is not available. Tony Royse seconded. Motion carried.

VI. Adjournment

A motion was made by Paul Yaroslaski seconded by Lori Kelley. Motion carried.

Minutes approved by:

Charles W Goad
Charles W Goad (Jan 6, 2021 10:41 CST)

Chuck Goad, Chair

Tony Royse
Tony Royse (Jan 11, 2021 20:24 CST)

Tony Royse, Secretary