

**QUEENSTOWN COMMISSIONERS
QUEENSTOWN FINANCE COMMITTEE
JOINT WORK SESSION
February 2, 2022**

PRESENT: President Al Hardee, Commissioner Bryon Callahan, Town Manager Amy Moore, Town Clerk Aaron Horney, Finance Chair Pat Bowell, Finance Member Frank Philip, Town Planner Peter Johnston, Town Attorney Lyndsey Ryan

WORK SESSION CALLED TO ORDER AT 3:05 PM

The purpose of the work session was to discuss the financial impact study conducted by the Greenlee Group for the Wheatland's Development Project. Commissioners had concerns with figures stated in the report and wished to have Finance Committee provide input.

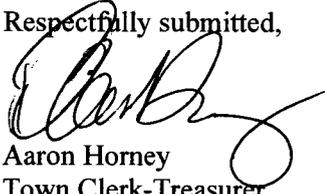
Mr. Johnston discussed MD Dept. of Assessment & Taxation sales data for years 2020-2021 for residential units in the surrounding Kent Island, Grasonville, Queenstown areas. Sales prices for single-family detached homes in 2020 was under \$400,000 on average and in 2021 was under \$500,000 on average. Lots under 7,200 sq. ft. were under \$400,000 on average in both years. His opinion is the assumed sales price of \$550,000 for the single-family units in the report should reflect a more conservative estimated sales price. Additionally, for similar reasons, the assumed sales price for townhomes of \$450,000 should reflect a more conservative estimate of \$325,000 and cottage units assumed price of \$500,000 should be a more conservative \$270,000. Also believes infrastructure costs appear 10% low when compared to similar recent development plans submitted in Trappe. Believes infrastructure costs should also include life cycle maintenance costs for not only annual maintenance but eventual replacement at end-of-life. Should only take street dedications only when determined enough tax revenue from units on that street to cover maintenance expenses.

Ms. Bowell pointed out that the estimated sales prices of home in the report are not current market sales estimates but what sales prices are expected to be at development maturity in 10 years. Does believe however the assumed sales prices are slightly high. Discussed figures from the Dept. of Economic Development for QAC for years 2015-2019. Median sales price for single family residences was \$475,000. Rental rates cited in the report were about 10% above what County uses as average commercial rental rate per sq. foot. Commissioners had concern about comparing townhomes on small lots with other homes in area that are waterfront, larger lots, etc. Ms. Bowell stated value could be with people who would be more interested in community setting, smaller lots to maintain. Ms. Bowell also stated the growth is modeled out over a 10-year period for the tax basis with stabilization at year 10. 50% of houses & interior commercial and 100% of highway commercial would be complete at year 10. Would like to see modeled out to 20 years to accurately reflect costs to town as they would be incremental with development. Does believe the commercial figures in the report are understated, however.

The Commissioners after discussion would like to contact the Greenlee Group stating their concerns about the figures in the report being high and would like to see the modeling in the report shown at not only 10 years but 20 years as well. Ms. Moore and Mr. Johnston will work on drafting and sending a letter to Greenlee Group. Will then wait for response.

Hardee motion to close the Work Session at 4:02 pm, Callahan second. VOTE: 2 aye – 0 nay.

Respectfully submitted,


Aaron Horney
Town Clerk-Treasurer