



City of Columbia, Missouri

Meeting Minutes

City Council

Monday, May 15, 2017

5:00 PM

Work Session

Conference Room

1A/1B

Columbia City Hall

701 E. Broadway

I. GROUP AND INDIVIDUAL CITY COUNCIL PHOTOS

The City Council photos began at approximately 5:00 in the Council Chamber.

II. CALL TO ORDER

Mayor Treece called the meeting to order at approximately 5:37 pm.

Present: 7 - Ruffin, Trapp, Thomas, Peters, Treece, Skala, and Pitzer

Unified Library District - Melissa Carr

Attachments: [Unified Library District Presentation](#)

City Manager Mike Matthes introduced Melissa Carr with the Daniel Boone Regional Library District. Ms. Carr introduced the Library Board members in attendance.

Lisa Groshong, President of the Library Board District, reviewed the library district service areas which include Boone County, Columbia and Callaway County. The merger would simplify Columbia and Boone County into one unified district which would simplify governance by eliminating boundaries, ensure the same tax rate for all Boone County residents, and would reflect current operations without disruption to service. She reviewed the process to form a City-County District which would go into effect December 31, 2017. Many of these steps are either completed or underway. The unification would create one district which would continue to operate as the Daniel Boone Regional Library and Boone County residents will continue to pay the same tax rate to support library services. Funding from both district will be merged and invested with Boone County's investment pool and a newly appointed 9-member Columbia and Boone County Library board of trustees will assume leadership on December 31, 2017. Ms. Carr stated that she would appreciate Council's support on this moving forward. Council member Skala asked if this is an efficiency effort that will not effect tax structures. Ms. Carr replied that State Statues allow for these formations and those steps are being followed. Mayor Treece asked what the new entity will be called. Ms. Carr stated it will be the Columbia-Boone County Library District. Once formed the current districts will cease to exist and the resources and liabilities will move to the joined district. There will be a contract between the Columbia-Boone County Library District and Callaway County.

Tax Increment Financing Presentation - The Broadway Tower 2 project

Attachments: [Broadway Tower 2 presentation](#)

Tony St. Romaine explained that there is an item on the regular City Council agenda to begin a TIF project process. This is an overview of the process to come. He reviewed the key TIF legislative actions which have taken place, including: the establishment of a TIF

Commission, establishment of a TIF policy and guidelines, and procedures for soliciting RFP's for TIF projects. He reviewed the policy criteria which includes: a "but for" test, total TIF assistance cannot exceed 20%, public infrastructure improvements are favored, the applicant has financial ability to complete the project, there is developer equity of at least 15%, and it shall not impact the credit rating of the City. It is also favorable when jobs are created, if a project will serve as a catalyst for future development, if it will stabilize an area that would otherwise likely deteriorate, if it would encourage inflow of clients, fulfill a housing need without impacting public service or facilities, and if a project uses green building standards. Mr. St. Romaine reviewed the required findings for a TIF which include: being an area designated as blight, conservation or economic development; it must conform to a comprehensive plan, the project cannot exceed 23 years, a relocation assistance plan must be in place, a cost benefit analysis must show economic impact and feasibility, and no gambling establishments are allowed. Mr. St. Romaine explained why a TIF can be beneficial noting that this does not reduce property tax revenues available to the overlapping taxing bodies. Property taxes collected on properties in the TIF will still be distributed to the School District, City, County and other taxing entities in the same way as before the TIF. Taxing entities will continue to receive the current base level of taxes plus a portion of the incremental increase in taxes attributable to the project. Over the life of the project all taxing entities will receive more revenue than is currently generated if the project were not built.

Mr. St. Romaine explained that the item on the agenda this evening is to authorize staff to issue an RFP for this proposal. Council member Peters asked Mr. St. Romaine if he has spoken to the County. Mr. St. Romaine replied that he has spoken to two of the three County Commissioners and if Council grants authorization, the goal will be to get the taxing entities on the TIF commission. The next step would be to put together a meeting of the TIF Commission where a Chair and Secretary will be elected. They will then evaluate reports and speak to the developer and schedule a public hearing, which would be followed by a recommendation to City Council. Council will ultimately decide approval. Mr. Matthes added that this is a single project as opposed to the last TIF project which resulted in a lawsuit, which was a TIF District.

Council member Skala asked the difference between blight, conservation and economic areas and he asked for more information on the EATS tax. Mr. St. Romaine explained that the TIF statute allows for three designations in a TIF. The Tiger Hotel applied under the blight qualifier which means there is a health, safety and welfare issue and a property is totally run down. Conservation is a lower bar, but is in danger of blight. Economic is more for TIF districts than single projects. The Broadway Tower 2 will likely be a conservation application. He added that EATS are taxes that are collected and refunded back to the taxing entities. Page 11 of the application shows a 23 year schedule to collect taxes. Mayor Treece asked if this is the same applicant as the first TIF for The Broadway and if the EATS will flow to the same TIF as the first project. If that is the case, he asked if they could look at the original TIF to see how the original TIF has performed to determine if the "but for" clause is valid. Mr. St. Romaine replied that it is the same developer and added that State statutes require a 5 year review. Each year a review of the project is done to compare how the project does compared to what was proposed. Mayor Treece asked the current status of City/County TIF litigation. City Counselor Thompson stated that the City was successful in that litigation and there are no barriers to proceed. Reporting requirements have also changed since then and we are completely compliant.

Mr. St. Romaine explained that the process is to issue TIF notes for an amount approved by Council for a period of time. TIF revenues are paid to the developer, if there are no revenues, then there is no payment to the developer leaving the risk on the developers instead of the City. Lynn Cannon, Assistant Finance Director, added that bonds are

issues at prime +/- a certain percentage. Robert Hollis, VanMatre Law Firm, reaffirmed that there is no credit risk to the City of Columbia.

Dave Parmley, the developer for the The Broadway and the proposed Tower 2 project stated that the first project was developed during the recession, which didn't allow for that project to be built out to what it could be. Now that the hotel has been built, there is a need for more meeting space, this project would triple the existing meeting space to be on par with what most Doubletree hotels can provide. He noted that it would not be the same height or size as the first building. There is a need for more meeting space and rooms downtown and this would expand from 114 rooms now, to add another 80 rooms and would increase from 3,000 square feet to 11,000 total. He noted that we are currently losing meetings to Springfield and Kansas City due to lack of meeting space.

Council member Ruffin asked if there is sufficient parking. Mr. Parmley has talked with John Glascock to secure more parking. Mr. Glascock added that there are spaces available, it's just a matter of how tight we want to make it.

III. ADJOURNMENT

The meeting adjourned at approximately 6:24 pm.