

Subject: TIF Member Question & Response

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Time: Tuesday, October 17, 2017 12:16:33 PM GMT-06:00

Hello TIF Commission,

Below is a question received by Maria Oropallo as well as the response received from Mark Grimm.

Question:

I have a question I have been struggling with regarding the redevelopment area as defined by the developer's consultant. Perhaps the commission's consultant attorney can clarify.

According to 99.810.1(1), RSMo the municipality must find that the redevelopment area meets the definitional criteria of blighted, conservation, or economic development to be considered for a TIF.

Has this happened for that 1/4 acre parcel? The consultant goes back and forth between conservation and economic development, and it feels like this proposal is putting the cart before the horse. The vote for the approval of the TIF should be, in my mind, a separate vote from "does the area meet the statutory definition."

Response:

Section 99.820.4(2) of the TIF Act requires the Commission to "vote on all proposed redevelopment plans, redevelopment projects and designations of redevelopment areas, and . . . make recommendations to the governing body . . . concerning the adoption of . . . redevelopment plans and redevelopment projects and the designation of redevelopment areas."

Attached is a draft resolution for the TIF Commission. If the Commission wishes to recommend that the Council approve the Plan/Project, then the Commission should pass the resolution. If the Commission wishes to recommend that the Council not approve the Plan/Project, then the Commission should vote against the resolution.

Following receipt of the TIF Commission's recommendation, an ordinance may be introduced to the City Council regarding the approval of TIF for the Project. Section 99.810.1 of the TIF Act requires the Council to make certain findings before approving any redevelopment plan, including that the redevelopment area on the whole is a blighted area, a conservation area or an economic development area, and that the area on the whole would not reasonably be anticipated to be developed without the adoption of tax increment financing. Development Dynamics, the consultant engaged by the developer to prepare the Redevelopment Plan, has opined in Section III of the Redevelopment Plan that the Redevelopment Area qualifies as a "conservation area" within the meaning of the TIF Act. But that's ultimately a finding of fact for the Council.

Thanks,

Heather Cole

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RESOLUTION OF THE TAX INCREMENT FINANCING COMMISSION OF THE CITY OF COLUMBIA, MISSOURI, APPROVING THE BROADWAY HOTEL PHASE TWO REDEVELOPMENT PLAN; DESIGNATING A REDEVELOPMENT AREA; APPROVING A REDEVELOPMENT PROJECT; AND EXPRESSING ITS RECOMMENDATIONS TO THE CITY COUNCIL OF THE CITY OF COLUMBIA, MISSOURI.

WHEREAS, the City Council of the City of Columbia, Missouri, has created the Tax Increment Financing Commission of the City of Columbia, Missouri (the “TIF Commission”); and

WHEREAS, the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865 of the Revised Statutes of Missouri, as amended (the “Act”) authorizes the TIF Commission to hold public hearings with respect to proposed redevelopment areas, redevelopment plans and redevelopment projects and to make recommendations thereon to the City Council; and

WHEREAS, in response to a solicitation of proposals by the City, Broadway Lodging Two, LLC (the “Developer”) submitted a proposal for redevelopment of a single parcel of property located at 1104 East Walnut Street (the “Redevelopment Area”); and

WHEREAS, the TIF Commission has reviewed a plan for redevelopment known as the Broadway Hotel Phase Two Redevelopment Plan, attached as **Exhibit A** hereto and incorporated herein (the “Redevelopment Plan”), for renovation of the Redevelopment Area; and

WHEREAS, the Redevelopment Plan envisions the demolition of the existing structure located in the Redevelopment Area and the construction of an eight-story hotel, including approximately 80 guest rooms and ancillary lobby, meeting and support areas; and

WHEREAS, the TIF Commission has also reviewed a cost-benefit analysis showing the economic impact of the Redevelopment Plan on each taxing district which is at least partially within the boundaries of the Redevelopment Area, attached as **Exhibit B** hereto and is incorporated herein, which cost-benefit analysis shows the impact on the economy if the Redevelopment Project is not built and if the Redevelopment Project is built pursuant to the Redevelopment Plan, and which includes a fiscal impact study on every affected political subdivision, and which includes sufficient information from the Developer for the TIF Commission to evaluate whether the Redevelopment Project as proposed is financially feasible; and

WHEREAS, after all proper notice was given, the TIF Commission held a public hearing in conformance with the Act on October 4, 2017 and October 30, 2017, and received comments from all interested persons and taxing districts relative to (1) the Redevelopment Plan, (2) the designation of the Redevelopment Area, and (3) the approval of the redevelopment project, as described in the Redevelopment Plan (the “Redevelopment Project”);

NOW, THEREFORE, BE IT RESOLVED BY THE TAX INCREMENT FINANCING COMMISSION OF THE CITY OF COLUMBIA, MISSOURI, AS FOLLOWS:

1. The Redevelopment Plan, attached as **Exhibit A** hereto, the Redevelopment Area described therein and the Redevelopment Project are hereby adopted and approved.
2. The TIF Commission recommends to the City Council that the City Council adopt ordinances in the form required by the Act to:
 - a. Approve the Redevelopment Plan.

b. Approve and designate the Redevelopment Area as a “redevelopment area” as provided in the Act.

c. Approve the Redevelopment Project.

d. Adopt tax increment financing with respect to the Redevelopment Project by passage of an ordinance complying with the terms of Section 99.845 of the Act.

3. The officers of the TIF Commission are hereby authorized and directed to execute all documents and take such necessary steps as they deem necessary and advisable to carry out and perform the purpose of this Resolution.

4. The sections of this Resolution shall be severable. If any section of this Resolution is found by a court of competent jurisdiction to be invalid, the remaining sections shall remain valid, unless the court finds that the valid sections are so essential to and inseparably connected with and dependent upon the void section that it cannot be presumed that the TIF Commission has or would have enacted the valid sections without the void ones, unless the court finds that the valid sections, standing alone, are incomplete and are incapable of being executed in accordance with the legislative intent.

ADOPTED by the Tax Increment Financing Commission of the City of Columbia, Missouri, this _____ day of _____, 2017.

Chairman

EXHIBIT A

REDEVELOPMENT PLAN

[On file in the office of the City Manager]

EXHIBIT B

COST/BENEFIT ANALYSIS

[On file in the office of the City Manager]