



City of Columbia, Missouri

Meeting Minutes

Tax Increment Financing Commission

Wednesday, October 4, 2017
6:00 PM

Public Hearing

Council Chamber
Columbia City Hall
701 E. Broadway

I. CALL TO ORDER

Mr. Wren called the meeting to order at approximately 6:00 pm.

Present: 11 - Andrew Beverley, Michael Kelly, Christine King, Andy Waters, Ernie Wren, James Owen, John Clark, Maria Oropallo, Helen Wade, June Pitchford and Ken Pearson

II. APPROVAL OF AGENDA

Ms. Wade made a motion to approve the agenda for the October 4th TIF public hearing. Ms. King seconded the motion. The motion carried with all in favor.

III. APPROVAL OF MINUTES

Approval of the September 7, 2017 TIF meeting minutes

Attachments: [Draft Meeting Minutes from September 7, 2017 TIF Meeting](#)

Mr. Beverly made a motion to approve the minutes from the September 7, 2017 TIF Commission meeting. Mr. Pearson seconded the motion. The motion carried with all in favor.

IV. OLD BUSINESS

None.

V. NEW BUSINESS

Overview of purpose of public hearing

Mr. St. Romaine noted that this application was received in April 2017. The TIF Commission has been reviewing the application and other documents since that time. There have also been meetings with elected officials and taxing jurisdictions. He reminded everyone that the TIF Commission is an advisory group and that the City Council gives final approval of the projects. The purpose tonight is to receive input from the public to help the TIF Commission form its recommendations. The TIF Commission must give final recommendations for the project within 30 days of closing the public hearing. There have been several downtown planning documents relating to use of space for the downtown area including the H3 Downtown Charrette, The Visioning Process and the Sasaki Study. The TIF Commission was established and policy resolution PR47-08 established policy guidelines for the TIF Commission to follow when reviewing applications. The TIF Act presents some hurdles that the applicant must prove. Some of these include: The developer must prove that this project could not occur without a TIF (known as the "but for" test); it must also meet requirements of a blighted area, a

conservation area, or an economic development area as defined by the TIF Act; the development must conform to the comprehensive plan of the city; and a Cost Benefit Analysis (CBA) must be completed which shows that the economic benefits flowing to the city and other taxing jurisdictions as a result of the TIF plan, are greater than the cost. PR47-08 also states: TIF assistance offered cannot exceed 20%; the applicant has to have the financial and technical ability to complete the project; developer equity must be at least 15%; the use of TIF shall not impact credit rating of the city; projects are considered favorable if they create jobs exceeding median income levels, serve as a catalyst for future development, stabilize areas likely to deteriorate, encourage an inflow of clients, and/or use green building standards.

VI. PUBLIC HEARINGS

The Broadway Phase Two TIF Redevelopment Plan & Project:

1. Review Redevelopment Plan and Project
2. Receive written comments from taxing jurisdictions
3. Receive written comments from the public
4. Receive oral comments from taxing jurisdictions
5. Receive oral comments from the public
6. Continue or adjourn the public hearing

Attachments: [TIF Commission Presentation](#)

[Brown Willbrand PC Correspondence to the TIF Commission Oct 3, 2017](#)

[Downtown CID - Support for Broadway Tower Two](#)

[Michael Martin Handout](#)

1. Review Redevelopment Plan and Project:

Mr. Parmley stated that he is the applicant of the project and owner of the Broadway Hotel. This new project location is 1104 E. Walnut. He explained the community impact the project would provide noting that it provides an anchor in the North Village Arts District. Mr. Parmley explained the proposed hotel expansion which would be a new 8 story hotel tower. The parcel under contract is 11,000 square feet compared to the first tower at 22,500 square feet. The new tower would be 73,000 square feet with meeting space on the ground floor and 8th floor and an additional 80 guest rooms. The towers would be connected by three enclosed walkways. He explained that there is a need for meeting and event space downtown which this new tower would provide by offering 2,000 square feet of meeting space and an 8th floor ballroom of 6,000 square feet.

Mr. Nasi reviewed the City TIF Guidelines and State TIF criteria noting that the project will create 20 full-time and 37 part-time jobs. He added that they are seeking the designation of conservation area and will serve public benefits including: Strengthening of City's employment/economic base; Increasing property values/tax revenues (Positive economic impacts on taxing districts); the project implements City's economic development strategy as the highest and best use for downtown/city center property; and it facilitates economic stability. Mr. Nasi stated that the redevelopment plan provides a description of the redevelopment program to be accomplished and he reviewed some of the key elements included such as: the estimated redevelopment project costs (Page 8), the anticipated sources of funds to pay the redevelopment project costs (Page 9), evidence of the commitment to finance the redevelopment project costs (Exhibit E), anticipated type and term of sources of funds to pay costs (Page 10), anticipated type and term of obligations to be issued (Page 11), the most recent equalized assessed valuation of the real property within the redevelopment area which is to be subject to PILOTs and EATs

(Page 12), an estimate as to the equalized assessed valuation of the real property within the redevelopment area after redevelopment (Page 13), the general land uses apply in the redevelopment area (Exhibit C), and a statement of estimated dates for the completion of the redevelopment project and the retirement of obligations incurred to finance redevelopment project costs (Page 13). He noted that they expect the project to be completed by the end of 2019 and no revenues would be seen by jurisdictions until the first part of 2020.

Mr. Nasi reviewed the "conservation area" definition noting that the property qualifies for this designation due to age, obsolescence, deleterious land use or layout, and excessive vacancies. The building has been vacant in previous years and has been difficult to rent, although Mr. Parmley is currently leasing the building. He reviewed site photos displaying deterioration.

Mr. Nasi reviewed the cost benefit analysis which supplies a narrative and accompanying tables describing the impacts of a "build" and "no build" scenario that each taxing jurisdiction may anticipate as a result of the proposed plan. He provided a review of the real property tax data showing no decrease as a result of the project. He reviewed the personal property data which shows over a 43% increase as a result of the project. He reviewed sales tax data showing over a 1900% increase as a result of the project.

He explained why the TIF is an essential component to the development of this project noting that it creates new and better paying jobs, this is a smaller request than the first TIF, there is economic benefit and costs to construct this without a TIF are prohibitively high at an estimated \$20.25 million dollars. Mr. Nasi summarized that there is no risk to the City, no up-front lump sum payment to the applicant, and taxing jurisdictions receive benefits from substantial tax revenues generated by the project.

2. Receive written comments from taxing jurisdictions:

Ms. King noted that she received an email from Heather Morgan opposing the project. She read that email for the record as follows:

Ms. King, As I am unable to attend the public forum regarding the proposed Broadway 2 TIF, I would like to voice my opposition to further tax funded capitalist endeavors. I do not see the benefit to our community, but only a benefit to the owners of this hotel. The construction in Columbia is obnoxious and I fear the next housing bubble burst is imminent (I realize this is a proposed conference center). Heather Morgan, 119 Benton St, Columbia MO 65203

Mr. Wren added that two other letters were received from BW Brown Willbrand PC and the Downtown CID. Mr. Wren read the letters received for the record and both letters have been included as attachments with the minutes.

3. Receive written comments from the public: None were received.

4. Receive oral comments from taxing jurisdictions: None were received.

5. Receive oral comments from the public:

Jay Lindner (1400 Forum Blvd.) stated that in his mind, this is a no-brainer project for the community. He used to avoid the downtown area, but now spends time at The Roof, special events at the hotel and has clients that utilize the hotel for lodging. He is also planning a wedding and agrees that there is a lack of banquet space. This is important for Columbia and he encouraged them to vote yes on this project.

Tom Mendenhall (302 Campus View Dr) stated that this is a great opportunity for downtown Columbia. It will provide jobs and needed meeting space downtown. This is a great use for that property and will get the City and schools more money in revenue. It's the highest and best use for that property and everyone comes out ahead on this. Members should vote yes for this.

Ken Greene (15 Anderson St) stated that he has been in North Village since 1979 and Dave has been a good neighbor so far. He looks forward to this addition and the vibrance it will bring to the area.

Joe Hesleck (5403 W. Hayside Circle) stated that he opposes this project. Development Dynamics provided a cash flow for this project which shows that this project doesn't make economic sense even with a \$2 million TIF source of funding. If the project doesn't make sense at a minimum threshold of a 7% rate of return, he wondered why a reasonable businessman wouldn't take his own opportunity cost of holding money and put it into this project. He suggested that funds could also be used to lower taxes. It is a subsidy to a business, but TIF members should look at the best use of funds for this project. He read a quote from the conclusion of a TIF study completed and added that he feels that when you look at the evidence across cities, the "but for" test fails.

Michael J. Martin (206 S Glenwood) stated that he is not testifying for or against this project and added that the current Broadway Hotel has been an excellent addition to the downtown. He read an article in the paper noting the lawsuit against Broadway Lodging. After looking on CaseNet he found 18 cases of filings against Broadway Lodging some including other parties. He provided a handout of his CaseNet search involving numerous claims and attorneys involved. He stated that there are actual costs to the city with this amount of litigation. Many of these companies could be jeopardized over these lawsuits for lack of payments. He suggested that the TIF Commission look into this carefully before voting for or against.

J.C. Headley (5009) seconded the comments of the previous two speakers.

6. Continue or adjourn the public hearing:

Ms. King said that Mr. Parmley and Mr. St. Romaine are coming Monday to talk to the the School Board. The group discussed potential dates to continue the public hearing.

Ms. Wade made a motion to continue the public hearing to Monday, October 30th, 2017 at 6:00 pm in the City Hall Council Chambers. Ms. King seconded the motion. The motion passed with all in favor.

VII. GENERAL COMMENTS BY PUBLIC, MEMBERS AND STAFF

Mr. Pearson asked when the applicant may respond to the comments made tonight. Mr. Parmley stated that he is troubled by the comments made by Mr. Martin. It is true that there is litigation involving Killian Construction but that is because there was incomplete work by them. QuestTech was a subcontractor of Killian and any issues they have on payments are between Quest and Killian. Broadway Lodging asserts that they owe nothing to Killian due to their failure to comply with the contract.

Robert Hollis (1103 E Broadway) felt that it is not proper to discuss details of the case as it in ongoing litigation. That should have no bearing on the decision being made by this commission. He reiterated the dispute is only with Killian and he has no knowledge of any sub-contractor issues.

Mr. Clark requested a detailed breakdown of the \$8.3 million paid over 23 years. He

asked if the applicant has approached the City about the creation of the CID he has mentioned. Mr. Parmley stated he has not. Mr. Wren felt that was not relevant to the review work of the TIF Commission. Mr. Clark added that the legal issues brought forth are relevant to some extent and should be reviewed by this group as it relates to the feasibility and competence of the applicant.

VIII. ADJOURNMENT

The meeting adjourned at approximately 7:11 pm.

Mr. Pearson made a motion to adjourn the meeting. Ms. Wade seconded the motion. The motion carried with all in favor.