



City of Columbia, Missouri

Meeting Minutes

Tax Increment Financing Commission

Monday, October 30, 2017
6:00 PM

Public Hearing (Continuation)

Council Chamber
Columbia City Hall
701 E. Broadway

I. CALL TO ORDER

MR. WREN: Given that it's now six o'clock, we will call this meeting to order. The first item is the approval of the agenda.

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

II. APPROVAL OF AGENDA

Ms. Wade made a motion to approve the agenda. Mr. Root seconded the motion. The motion carried with all in favor.

Agenda previously posted on October 20, 2017 (revised agenda replaced this version)

Attachments: [Agenda Continued TIF Public Hearing October 30, 2017](#)

III. APPROVAL OF MINUTES

Approval of Draft Minutes from October 4, 2017 TIF Public Hearing

Attachments: [Draft Minutes TIF Public Hearing October 4, 2017](#)

MR. CLARK: Well, there's one small change on page 4. Mr. Haslag's name is not Hesleck. So the correction is his last name is spelled H-a-s-l-a-g.

MR. WREN: Name change noted. Any other changes or commendations?

Mr. Beverley made a motion to approve the October 4th, 2017 TIF Public Hearing minutes as amended. Mr. Pearson seconded the motion. The motion carried with Mr. Root abstaining since he was not present.

IV. PUBLIC HEARING

The Broadway Phase Two TIF Redevelopment Plan & Project
(Continuation):

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: [Applicant Presentation](#)

[Boone County Auditor Communication \(received 10/30/17\)](#)

[Chip Cooper Communication \(received 10/30/17\)](#)

[Chip Cooper Communication continued \(received 10/30/17\)](#)

[Tom Schauwecker Communication \(received 10/30/17\)](#)

[Columbia Library District Communication \(received 10/27/17\)](#)

[Included with 10/4/17 PH Minutes - Brown Willbrand PC](#)

[Correspondence \(received Oct 3, 2017\)](#)

[Included with 10/4/17 PH Minutes - Downtown CID Communication
\(received 9/15/17\)](#)

[Included with 10/4/17 PH Minutes - Michael Martin Handout](#)

MR. WREN: Jeremy, do you want to introduce yourself?

MR. ROOT: I'd be happy to. My name is Jeremy Root. I'm an attorney, work at Stinson Leonard Street in Jefferson City, Missouri, citizen of Columbia. Moved here in 2006 and was appointed to this Commission at the most recent -- I think most recent city council meeting on October 16. So approximately two weeks ago. So I have been playing catch-up. Appreciate the help that I've had from the chairman, as well as from the applicant and others in the community in understanding the issues in this TIF application. Look forward to my service. Thank you, Mr. Chairman.

MR. WREN: We thank you for joining. Just as a comment here, while we did the general votes for ayes and nays on the agenda and on the minutes, as we go into any other motions, we will handle those with roll call just for the record.

Going into the next section, the public hearing. We have the Broadway Phase II TIF Redevelopment Plan and Project Continuation as we did not close the previous public hearing. We will begin with the review of the redevelopment plan and project for the benefit of any new members or members of the audience that might not have been here the first time.

MR. HOLLIS: Excuse me for the clanging. My name is Robert Hollis. I'm an attorney with the Van Matre Law Firm here on behalf of the applicant. I hope you have the hard copy of a presentation that we also have a digital copy of that those viewing will be able to see. Trust me, although it's 30 pages long, I don't intend to spend time on most of what you've already seen.

For the benefit of new members and the members of the public that might be interested, I included that information. Also, Mr. Parmley will be here. He's had some difficulties with his vehicle but he's on the way, will be here hopefully within the next 10 or 15 minutes. We have Mr. Nasi here as well who you're familiar with as well.

The Project Information slide showing the location. Again, it's immediately north of the existing tower, which is called The Broadway, owned and operated by Mr. Parmley or actually one of his entities.

Project Information. Nothing has changed in that regard. Same amenities are planned with respect to the new tower including additional ballroom space and connections to the existing tower.

The slide includes a whole lot of little words. They're all the same. It meets the city TIF guidelines as well as the state TIF criteria. What's slightly different on that slide is we updated the numbers under the public benefits, but you've also received that information before. We had referred to it as \$8.3 million before. We can get into more detail on that shortly but it's actually \$9 million as opposed to 8.3.

Next slide is the Redevelopment Plan/Conservation Area Designation. That's identical to what you've seen before except for the bold portion pointing out the three components of conservation area which is that the structure be more than 35 years old, at least 50 percent of the structure. There's only one structure on this site, so the structure. It's not yet blighted but is detrimental to the public health, safety, morals -- public health, safety, morals or welfare and may become blighted. We'll focus on that shortly.

Cost/Benefit Analysis. In addition to that, you will have, if you don't have, a letter from the applicant that states, in essence, the rate of return with TIF/CID assistance is sufficient to obtain loan approval and therefore makes the project financially feasible. I just wanted to make it 100 percent clear that it is the applicant's opinion that it is a financially feasible project.

Same site photos. There's three or four slides. They are identical to what you've seen previously. Next slide which is Cost/Benefit-But For-Why TIF is Essential. That is also identical. If you have any questions, I'd be happy to answer any that I can or Mr. Nasi could as well.

So new information, although it's not new but in more detail, we want to talk about the conservation area as well as the but-for test and that's based on some of the questions that we've seen from members of the Commission as well as other interested parties.

So two questions: Is it a conservation area and does it meet the but-for test? It is our opinion that all the documentation and information that we had provided contains the information that is sufficient for you to reach the conclusion that it is a conservation area and the but-for test has been met.

It is very similar in that regard to the previous TIF which used to be the Regency and is now The Broadway exists solely because the TIF was approved a few years ago.

Now, what arrived today, which is pertinent to these two issues, is a letter from the Boone County auditor dated as of this date and in our opinion confuses some of the issues but is also I think very helpful for going through the analysis of conservation area and but-for test.

So the confusion we believe comes from a misinterpretation of the statutes and then some of the enhancements that were written in the letter to the statutory requirements applicable to conservation area as well as but-for test. Quotes such as, and if you have the letter in front of you, hopefully you do have the letter, at least have access to the letter. If you don't, I would like to make sure that you do. Thanks

Fourth paragraph where it states that you must find that there is a, quote, serious problem with the property in its current condition and that the problem presents a clear and present threat to public health and safety. That's not statutory language. It does not state that and it's actually contrary to statutory language for a few reasons. Probably the most important part -- serious problem doesn't exist. Clear and present threat doesn't exist. But then to public health and safety.

What's really misleading about that is it is to public health or safety or morals or welfare. Now, or isn't in there every time. It's in there one time, but the interpretation is or. It is not and, and it's certainly not just health and safety. It could be health or safety. It could also be health or safety or morals or welfare. I want to make that absolutely clear.

There's also a statement in the letter, a couple of statements about not having information specifically with respect to determining whether conservation area exists. So second page first full paragraph. Actually third full paragraph -- sorry, second full paragraph. If you go to the redevelopment plan, which you've had in your possession for literally months now, and look at Sections III and IV, there is an extensive amount of evidence applicable to and supporting the fact that it is a conservation area and that the but-for test has been met.

We'll summarize some of that tonight as well but that's -- there's a whole lot of information that you have that is evidence of the existence of conservation area.

There's also in the third full paragraph of the second page which deals with the but-for test the quote of the statutory language is accurate but then the, I guess I'll call it the, in other words, a description of the but-for test is just not statutory. There is nothing about -- we'll go to the last sentence. It says the but-for test requires the TIF Commission to reach a finding that no development whatsoever would reasonably be expected to occur on this parcel unless TIF financing is approved, ostensibly due to the near blight conditions in existence on the property. It's just not the test.

You may agree or disagree with the sentence, but it's simply not the test. I would encourage you to look at the statute and I've got the statutory language for you coming up soon.

So next slide hopefully will make that even more clear. It is a conservation area per the statutory requirements, and there are no other requirements other than statutory requirements. Hopefully that's what we are focusing on.

The easiest way I believe to look at this is to break it down into three components. The first one is that the structure must be more than 35 years old. Now, the statute says 50 percent of the structures but again we have one structure. This structure is more than 35 years old.

The second component is the site is detrimental to the public health, safety, morals, or welfare, again focusing on or. Another way to say the second component is that it is moving in the direction of causing harm to public health, or safety, or morals, or welfare moving in the direction of causing harm. It's a far cry from clear and present threat to public health.

The third component is that it may become blighted. That's because of several factors. Those factors you've been exposed to now for quite some time. So first component, we've got three, for conservation area. First component, must be more than 35 years old. It is. Check the box.

Second component, is it moving in the direction of causing harm to public health, or safety, or morals, or welfare. We can just pick one if we want. We can pick safety. So safety is highlighted. It is moving in the direction of causing harm to public safety because of the deleterious land layout. That's, again, statutory language. It's dangerous

because to enter on to Walnut -- it is dangerous to enter on to Walnut, sorry, going north because of poor sight and elevation conditions. I've got a couple of photos, but if you've been to the site you know it's a really steep drop off. If there are cars -- It's really dangerous up here as well. (Laughter) Thank you. Sorry about that.

So if you've been there on the steep downslope there's cars parked. It's very difficult to see pulling out either direction, frankly. It's also dangerous to public safety because pedestrians attempting to traverse along the sidewalk on Walnut are in a precarious situation because of the cars that are coming down the steep slope and can't see. It's also dangerous because parking on the site requires you to park next to a ledge and that is not safe. So you actually drive next to the ledge but you park next to the ledge. Due to those elevation differences, it simply is dangerous to the public. So check the box.

Here are the pictures. Picture on the far left shows what I'm talking about that is the point of egress from the site. Second picture shows the same point of egress but shows a vehicle coming down the hill. You can see a vehicle parked legally to the right of that vehicle as it's facing. Then you can see the viewpoint from that vehicle in the third picture. And if you look really closely, you can see there is a car but it's very difficult to see that car. So again, it is dangerous and is moving in the direction of causing harm to public safety.

So with regard to the ledge, there's a red line on the left picture that is the ledge. If you're looking at the second picture, there's a little arrow showing the drop-off. If you were to drive too far, I guess that would be to the west, your tire could fall off the ledge or if you park too close to the ledge again it is dangerous due to the layout. Now, that was safety.

Back to component two. So component two has been met. Component one was met, 35 years. Component two has been met because of the deleterious layout moving in the direction of causing harm to safety. But belt and suspenders for the second component it is also moving in the direction of causing harm to public health and morals because of excessive vacancies.

Now, as an aside, it's been vacant since December 2010 except for the short period of time where Mr. Parmley occupied the space during construction and then -- and for training. So it was a short period of time since 2010, but otherwise it has been vacant.

Health and morals. So causing harm to public health and morals. It is vacant and unoccupied, and it has become a very popular spot for dog excrement. We didn't bring photos because I can imagine that you can imagine but it is not pleasant. So health is an issue because of that. There's also a great deal of loitering because it is an unoccupied space. People are there at odd hours playing music loudly. There are used prophylactics found on a regular basis and empty alcohol containers are found on the site as well. Another reason why component two has been met.

With regard to moving the direction of causing harm to public welfare, again this is belt and suspenders because we've met it through safety and through health and morals. It's also met through welfare. Welfare, another way to say welfare is prosperity or well-being. How is it moving in the direction of causing harm to prosperity? It is because it continues to remain obsolete, vacant, and in a state of continuing dilapidation. That is not a prosperous situation. Same for well-being. By continuing to remain unsafe because of layout and lack of community planning, it is moving in the direction causing harm to public well-being.

I might add that lack of community planning the site was developed long before Columbia Imagined, which is an existing comprehensive plan, and long before the Metro 2020, which was the previous comprehensive plan. So another reason why component two is met. Check the box.

MR. ROOT: Mr. Hollis, there's a reference there to the property being leased at a depressed price. Can you give us more information about that lease?

MR. HOLLIS: Precisely what sort of information?

MR. ROOT: Well, if it's leased, it's hard for me to understand that it's vacant if it's, in fact, leased to someone for use.

If the lessee hasn't chosen to use the property, no one else could use the property. I'm just trying to understand the nature of the vacancy versus the lease.

MS. KING: Yeah, what was the time of the exact lease too would be nice. Like from what to what?

MR. HOLLIS: We'll talk about that, sure. Thank you for the question.

MR. ROOT: Sure.

MR. HOLLIS: Lease, of course, is just another interest in real property. All property is owned. It can also be leased. The fact that property is owned by someone does not mean that it is occupied. The same with if someone has a leasehold interest in property, you could have a 99-year lease in property and you didn't occupy it, it would be vacant. There is no correlation with leased and vacant, right, because it can be vacant and leased at the same time. They're not the same thing.

Mr. Parmley has, in fact, leased the property since 2010, I believe.

MR. PARMLEY: No, '12.

MR. HOLLIS: '12, sorry, 2012.

MR. PARMLEY: March.

MR. HOLLIS: But has not occupied the space except for a short period of time during the construction. The construction was about 18 to 24 months between 2010 and 2017. So hopefully that answers your question. There is a distinction between leased/owned and occupied vacant. They're not the same. There isn't a correlation. Make sense?

MS. OROPALLO: That doesn't make sense.

MR. HOLLIS: I'll try again.

MS. OROPALLO: Thank you.

MR. HOLLIS: You can -- you could lease my house for the next hundred years and not occupy it. I could own it. You could lease it. But that would mean if you weren't there it

would be vacant. If you didn't lease it and I owned it for the next hundred years and I wasn't there, it would still be vacant. So the lease has no -- it makes no difference with respect to being occupied or vacant. They're two totally different things.

MS. KING: I will say up to this point I think that the point that was being made, and correct me if I'm wrong, is that because there was a lease, because he was in it, some might feel well, the property couldn't have been sold or whatever the case may be or leased or was the owner even looking to sell it. Those are the -- I understand what you mean about there may not be anybody there, but it's still the owner's responsibility to clean up his property. So that doesn't -- in my opinion, I don't know how we evaluate it. But if an owner is not taking care of his property, is it because it's in a bad area or is it because the owner is not keeping up with his property? I'm talking about the stuff that's found on the property. I'm not talking about the other stuff that he should be.

We were led to believe that -- I guess I was led down the path in the fact that somebody was leasing it or occupying it and in it and using it for those purposes.

MS. OROPALLO: I might add that I inartfully use the term hostage. The building was held hostage during the entire leased time. Whether the lessor stepped foot in there, the building was off the market to anyone. It was held hostage.

MR. HOLLIS: That's not accurate because anyone could have leased it. It just so happens that the only interested party was Mr. Parmley and that was at a very depressed rate. I put depressed price because that's a quote from the owner of the property, depressed price. There were no others interested. If there had been, he would have leased to someone else for a larger amount. If there had been people interested in buying it, he could have sold it to someone else even with the lease in place. So it simply was not held hostage. It was on the market just as any other property would be. There were short-term leases and still are short-term leases.

Yes, sir.

MR. PEARSON: I thought earlier in an earlier presentation the statement was made that the owner had an opportunity to lease to several different interested parties but decided not to lease to them because he didn't think they qualified. So I mean is that a situation where he's creating his own problem? I mean if it's vacant, if he hasn't leased it and it's vacant, looks to me like he's created a vacancy by not leasing it.

MR. HOLLIS: I think what you may be talking about was pre 2010 where I think there were some we'll call them businesses that the owner didn't think were reputable and not highly sought after as far as the type of land use for the area. I can't speak to what lease rates they may have negotiated at that time. For whatever reason, it was not satisfactory to the owner.

The owner has, as any owner would be, has no motivation whatsoever to not lease their property or not get the best and most benefit that they can from their property. That has been the case for years yet here we are with Mr. Parmley being the only interested party in leasing it and then doing so at a depressed price. Those are just the facts.

Whether the owner could have done something different or marketed it differently or made improvements to the site, who knows, but the fact is here's where we are. And it has been vacant except for that short period of time during construction which is approximately 18 to 24 months.

MR. PEARSON: Thank you.

MR. HOLLIS: So those were components one and two. Let me back up. That component, that was just our third belt and suspenders approach to meeting component two. So if you have an issue with that one, it's already met with the others.

So the third component is that it may become blighted. It may become blighted for the reasons that we've already talked about. Rather than go through all of them instead of it moving in the direction of becoming, it is now may become a thing likely to cause harm is another way to say that it may become blighted. Statutory term menace. The definition of menace being a thing likely to cause harm. So if you believe those dangerous situations that I pointed out exist and may become a menace to public health, safety, morals, or welfare, then this third component has been met. The same with respect to health and morals, the same with respect to welfare.

Another way to look at this component is whether or not it may become something constituting an economic or social liability, and those are really broad terms. But economic liability would certainly exist due to the costs associated with the safety, health, morals, and welfare risks.

Also just by the fact that it is failing to generate revenues for the public. It's an economic liability as it stands and as it will be without redevelopment. Social liability by remaining underutilized, it is therefore vacant, deteriorating, and dilapidated just like the Regency site was, and hence it may become blighted, our third component. Check that box.

Do you have a question, sir?

MR. CLARK: I listen to the words and I noticed that you want to draw a significant comparison to the Regency site, but I don't think that passes in a whole bunch of ways mainly because of the but-for test. I look back at the issues. For instance, I look at the parking. There is a ledge there, but, of course, Ditter Properties, LLC owns the property right next door that is down below that as well as until the contract is consummated.

So the business about the parking, somebody falling, all that kind of stuff, is just terribly easily remedied without a \$20 million project there.

I must admit this notion about the current owner could have done something, I just don't think that can be ignored. And in fact, all the conditions you're citing would have been very detrimental to the businesses that are in the current building next door, the current KeLani, Timberlake Engineering, and so forth. So I must admit this just sounds like may but it really is very, very confusing to kind of say well, it may or it will be when, in fact, the current owner and the prospective owner because of the lease could have basically prevented most of these, and the idea that the sidewalk itself is a massive danger, I just don't see it. Just because you can basically make a sentence that says that does not make it really a significant danger, harm, et cetera. That's where I'm coming from.

MR. HOLLIS: I understand.

MR. CLARK: There are places where there are real dangerous things. I just don't see this here.

MR. HOLLIS: Of course, you could say that about every piece of property because every

property is owned. So somebody is to blame. So it doesn't make any -- so this doesn't make this any different from any other property that would be considered.

So in summary, it is a conservation area because three components are met: It's more than 35 years old, it is moving in the direction of causing harm to the public health, safety, morals, or welfare and may become blighted.

Second question. Does it pass the but-for test? The verdict. It passes the but-for test. The test is actually really simple and it's also -- not also. It can be broken down into two components. That is the site has not been subject to growth and development, we'll get to that, through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of TIF.

Three incontrovertible facts that I would ask you to consider: 1, There has been no growth and development for over 50 years. That might not be accurate. I know it's for over 35 years. I think it's close to 50 years, but by saying over 50 it might not be accurate. So I will change that, if you will, to approximately 50 years, but it's a really long time that there has been no growth and development on the site. So of our two components, the first one is met.

We'll take all three of these hopefully together to reach the second component. The applicant is uniquely situated to develop the site. That's important because even this applicant who is uniquely situated adjacent to the site has the ability to develop it and take advantage of economies of scale and location, cannot develop the site without TIF. So what better evidence that it is not reasonable to anticipate that it would be developed without TIF. Good evidences can be had at this point.

And I would add to that and the final sentence of that slide basically is a repeat. There are no other proposals. Keep in mind there was a request for proposal that was submitted. There was one response. There's nobody else lined up to develop this site. Nobody at this point. So again, it's not reasonable to anticipate that it would be developed at this time. That's all I have.

If Mr. Parmley is here, which it looks like he is, I'd be happy to answer questions now.

MR. CLARK: When you say these three incontrovertible facts and, of course, you are focusing somewhat appropriately on this one quarter acre lot and nothing else. I'm not sure that's the total focus. To say there's been no growth and development on that lot in a 50-year period or maybe it's whatever it is, when, in fact, for most of that time it was occupied and a going concern business was there with maintenance and all this kind, that's just stretching the idea of growth and development. I don't think it meets that test.

I did not find anywhere in the statute any reference to an applicant being uniquely situated, the developed site having any bearing on this at all. I mean that may go to the issue about whether you're saying well, would anybody else want to do it. I don't think that's the test. And then, of course, even the applicant cannot develop the site without a TIF. I mean that's a statement, but I don't think it's an incontrovertible fact at all.

MR. WREN: Thank you, John. Please continue.

MR. HOLLIS: Thank you. Mr. Parmley.

MR. PARMLEY: Thank you. Sorry for my tardiness. I had a little car issue on the way

down. Let me catch up where we're at here. Looks like the next page we have here. I think there was a question asked. Mr. Clark, I believe you might have brought the question up about new market tax credits. To be clear about this, I've never granted or received any new market tax credits.

MS. COLE: Excuse me. Could you speak up just a little bit?

MR. PARMLEY: Oh, I'm sorry.

MS. COLE: Thank you.

MR. PARMLEY: Of course. To make it clear, I've never received any new market tax credits. I've received a loan from Advantage Capital on the project. Ostensibly they received credits that they monetized to loan me the money. I guess it would be no different than when you get a home mortgage, do you ask the bank from the money came from? It's exactly the same situation here.

So I was told that it qualified by Geographic Zone. That's a program administered by the Secretary of Treasury and has been around since 2000.

At this point they've made no commitment to the second project to me at all. In the previous projects, what basically transpired was I would do all the legwork and due diligence on the project, spend my money and hoping that they might come in on the project but not knowing for certain.

I would remind you that when I built The Broadway I started that project in 2010 at the depth of the recession, and I had somebody the other day ask me if The Broadway Hotel had done very well. I said, "Well, it's not met its expectations for us." He said, "It's done very, very well." I said, "It's not done very, very well. We've had lots of headaches and hiccups along the way here." As previously mentioned, I'm in a continuing lawsuit over issues that were not correct in the construction and the project was delayed to us by nine months.

So you've heard the adage about bankers and umbrellas. So my first thought when he asked the question was in 2010 I didn't have a crystal ball to know if it was going to be sunny today. Luckily it is. I probably wouldn't be here if the sun hadn't come out. I don't think anybody would have known in 2010. It was a scary time. Yet I moved forward to my risk and advanced this project. It took me four years to do it. I'm asking for the city to be supporting my vision.

I think there was a question asked maybe by Mr. Root, is that correct --

MR. ROOT: That's right.

MR. PARMLEY: -- regarding Eagle Bank & Trust. They've been a lender on three of my hotel projects, two in Chesterfield and one in Steamboat Springs. They were merged or bought by Enterprise Bank in St. Louis. I don't know the exact date. It might have been February. I believe you were referencing the fact that my application might have shown that in April which would have been an error on my part. So to correct the statement, the Enterprise Bank is the current lender on those three hotels.

MR. ROOT: Okay, great. Thank you very much.

MR. PARMLEY: No problem. I believe this was circulated this weekend, Tony, to all the members here. I must say I regret not working on this sooner and getting this out. I think there's been a lot of talk about the but-for conservation and it seems like there's been a purposeful lack of wanting to talk about the economic benefits of the project which I think are indisputably very large. \$9 million and this is just for local tax districts.

Obviously it's more to the state. This is also just immediate benefits. It doesn't take in the ancillary benefits of people coming to town, spending dollars other places downtown which is our goal to encourage more people downtown. Hopefully this makes it very clear what the taxing entities receive and I think the numbers are significant.

MS. PITCHFORD: On this table, what evidence do you have or documentation to support that this would all be net new activity as opposed to substitutionary from other hotels in the area?

MR. PARMLEY: I don't have any data. I would say that a good percentage of it will be. I think it's a growing area here. People want to be downtown. We've seen that. When I was developing The Broadway Hotel, I was also looking at the Tiger at the same time before I bought the Regency. I was kind of going back and forth. I chose the Regency for many reasons, but I said all along, even the first TIF hearings, I said, "There's certainly room for both the properties down here."

I think we have a product downtown. We have a very unique downtown. I may have shared it with you. If not, I've shared it with some other committee. I've kind of lost track. I've talked to so many kinsmen, most of them I think. Seems like it.

The mayor a few months ago in the state of the union address talked about how we're impacted by sales tax and we're totally relying on sales tax. I'd made an observation at the downtown CID Amazon is hurting us, hurting small businesses, yet we have a very special downtown. I don't think Amazon is going to be able to deliver the experience of being downtown anytime soon. So I feel like I'm coming forward now with a project that would actually help remedy part of that and bring more people downtown. And that would be my point there.

MS. PITCHFORD: Just to clarify, there is no evidence to support that this would all be net new additional revenue?

MR. PARMLEY: No. I would think a good portion of it probably would be because people seem to like this being downtown. I mean you think about people coming to town on a trip. I'm sure Amy Schneider probably has data on average spend per day for visitors. I would have to think that visitors to downtown are spending certainly more than a highway hotel because we get a lot of interstate traffic, people stopping for the night, passing through.

People want to be downtown. I think meeting space downtown would be a unique venue that's not already there. So that would be totally new food and beverage revenue portions for sure.

MR. ROOT: Mr. Parmley, you're free to go on. I just wanted to ask a question about the way the EATS are intended to flow in this project. It's my understanding that if this project is approved in Tower 2 then the sales tax component will all be registered and captured in Tower 1. Is that --

MR. PARMLEY: I wouldn't say all the revenue. I believe it's the food and beverage

components thereof. We had a similar situation, and I think there was a ruling on it maybe, back when the Tiger Hotel and Glenn's Cafe became merged together. I think it was determined at that point that the sales rang up at Glenn's Cafe -- since the sales at Glenn's were rang up at the hotel, I believe they determined that the sales went to that TIF.

So we have a similar situation here. We only have one cash register at the front desk at the existing tower. So all the sales will flow through. You see before we had \$8.3 million. Now we have an additional 600, almost \$700,000 here that flows back to TIF 1 which will also ostensibly give us a chance to pay that thing off early. Certainly no promises but I can guarantee it makes it a lot easier when you have additional income coming on TIF 1. So to that extent if it's successful and does well, it should pay off sooner. The problem is how much. That's I guess another benefit so to speak of having that.

MS. KING: Can I ask a clarifying question?

MR. PARMLEY: Sure, uh-huh.

MS. KING: I think I asked that about paying off the TIF earlier in one of our board meetings. I said are you on track to do that. You had said no. Did that mean before this project?

MR. PARMLEY: We're speaking of TIF, the existing TIF?

MS. KING: Yes.

MR. PARMLEY: So right now, no. As a matter of fact, my projections I believe we were supposed to have \$1.2 million in revenues paid back in the TIF. I think to date Lynn Cannon verified just a little under 500,000 maybe. Part of that was delay. Once again, the contractor delayed my project by close to ten months.

MS. KING: So you're anticipating that if this TIF is passed and this project goes forward you could pay off that first TIF sooner?

MR. PARMLEY: Theoretically. Once again, theoretically. And 15 years remaining, the remaining term has 15 years, a lot of things can happen good and bad.

MS. KING: I understand. I just think that we rely on certain information and when I asked that question during a board meeting your answer was no, which I mean --

MR. PARMLEY: I guess -- I thought maybe you were talking about the first. I'm sorry.

MS. KING: My second question is we talked about sales tax. I was under the impression in some of our prior meetings that everything with this new tower would, in fact, be rung under the first like including all the weddings and stuff.

MR. PARMLEY: All the food and beverage components in the tower. We're proposing like a large ballroom in the second tower.

MS. KING: So what wouldn't be rung up under that I guess is what I'm trying to get at? The hotel rooms and stuff?

MR. PARMLEY: The hotel rooms are excluded. Room tax is excluded we found out from last time.

MS. KING: I mean I don't know. I just was asking.

MR. PARMLEY: No, that's a good point.

MS. KING: I just want to make sure that we really say what is what.

MR. PARMLEY: Lodging tax is excluded. The slide here basically shows everything that's not going to TIF is what this is showing. \$9 million. So I guess there's a lot of confusion. Sometimes it's hard to explain TIF.

Probably the best way I've been able to kind of characterize this or simplify the explanation on it is, one, not a single dollar of any existing tax is being used on the project. What this would represent would be that nobody gives me a satchel full of money when the project is done. I'm going to wait 23 years. If I miss my projections, I'm the one that comes out short on it. What we're talking about here if somebody was to say would you invest \$2 million to make \$9 million. You know, 23 years. I would think that would be a good investment.

What if I was to say I'll loan you the \$2 million so you can invest and make \$9 million. Probably gets better. What if I told you that if for some reason it doesn't work out as planned I'll just forgive that loan to you? That's exactly what we're talking about here. The way I look at it it's heads you win, tails you win. That's pretty small print, Robert.

MS. PITCHFORD: Just to clarify, this is not net benefits to taxing districts having taken into account any potential impact on public services and that sort of thing.

MR. PARMLEY: I don't think it was ever called for, but no. For example, schools in their presentations we mentioned once again the jobs were having to be local. So the 208,000 going to schools they were getting personal property tax whereas they're getting zero now.

MS. PITCHFORD: I was identifying that the title of this schedule is Benefits to Taxing Districts, but there is I don't think any corresponding schedule of estimated cost to taxing districts --

MR. PARMLEY: No, there's not.

MS. PITCHFORD: -- for police, fire, infrastructure, that sort of thing.

MR. PARMLEY: If it's local employees being hired, there shouldn't be a drain on them. As far as other ones, I have no way of analyzing that.

I think this table here further illustrates what the previous one, Robert, pretty much. I don't think there's anything new here. This ties back to the cost benefit analysis, references the tables where the data was sourced from. There was -- on the previous worksheet you might have seen that the county also collects a handling, a processing, I'm not sure what the actual term is, I think it's 1-5/8 percent that they take. So if the property is \$4,500 a year now and I'm say, for example, paying 204,500, they would take off 1-5/8 of that to keep for their trouble I guess doing that. So that was another 70,000 in the county. In total the county is receiving \$2.2 million additional.

This table here, is this a continuation, Robert, again?

MR. HOLLIS: City.

MR. PARMLEY: Oh, each tab is a different entity. Okay. So the first one is city, \$5.8 million. The second one is county, \$2.2 million. Funds that aren't captured.

I guess to summarize, we feel like the project met the statutory requirements as Mr. Hollis discussed. I'd stress once again there's no risk to the city on this project whatsoever. There's no guarantee of the payments to me. It's a wait and see, pay as you go type program. Like I said before, right now I'm coming out 500,000 versus 1.2. And at the end of the TIF if I haven't received all the funds at that point in time it's my loss. I forfeit any remainder. The project goes back on the tax rolls.

I guess the last point catalytic effects to the economy. Once again looking back to 2010. I was thinking on my way down here I wish I had a photograph shooting kind of from College up towards where the Regency is at now back in 2010. At that time you had -- Newton Riley had several multi-family and student housing projects in there. It kind of looked like a wasteland down through there. You look at it now it's obviously quite transformed. I think our project was responsible for a lot of that catalytic development and we set out to be a gateway to downtown, which I think we did, and a gateway to the North Village Arts District and be a catalytic effect.

I'd like to continue that plan and bring more people downtown in Columbia so they can enjoy the benefits thereof.

Any questions that you have I'd be happy to answer them.

MR. WATERS: I have a question. Mr. Parmley, you've mentioned your vision about this project earlier, and one of the worst kept secrets about this whole thing is that you have a Phase 3 in mind. So would you please describe what you have in mind as the Phase 3 of this project and also explain why you haven't mentioned that publicly before?

MR. PARMLEY: Yeah. Thanks for bringing that up. It's no big secret. I've told several people about it, several city council people as well. I have been looking at a possible Phase 3, and my thought process there or vision for that would be a true conference center for downtown Columbia. I think it would be very well used. I think it would bring a lot of people here. People want to come to Columbia. I think we're missing a lot of events that are going to Springfield, St. Louis, Kansas City.

I told one city council meeting recently I said -- backing up. I had somebody else who was encouraging me to talk about Phase 3. I said to them I'm not in the habit of dangling carrots for expediency here. So I didn't want to bring it up. What do they say about no good deed goes unpunished? Black and white, opposite day here. Everything I seem to say seems to be turned around 180 degrees. It's no secret. I've told people. I've talked to the city about it before too.

Such a project would be a huge undertaking to bring on here. It would require probably every economic tool in the toolbox to happen. It might take the rest of my lifetime to do it. The city council person said well, kind of like a legacy type thing. I said could be a legacy type project, but I think it would be very successful. I guess I felt at the time we were doing this that it would further add more layers of questions and how will that

happen. I can easily see that taking four or five years to transpire. That being said, the sooner we get started the sooner we get it done. There was no trying to hide that fact.

I think you had asked me, Mr. Root, when we spoke the other day about it. Actually the parcel immediately to the west I put under contract after I applied for the TIF. So I wasn't sure it was available. I even thought at that point do I stop and bring the application back and do a Phase 2-3 type project. Once again, the whole thing about how long it would take to do is why I didn't proceed that way.

That property could have been fine just buying as an investment I guess because it's rented up. People just treaded water and have been. You're familiar with the Amlan (phonetic spelling) site to the north as well. I view that as the new frontier. Go north young man. I think there's a lot of opportunities there. I'm on the downtown CID now and have been talking a lot about trying to press that issue. I think the city has an option to buy. I'm not sure what the actual terms of it are. I don't think anybody is really championing that. I'd like to see that happen as well. I can see that being, whether it be a theater or arts program or civic center. They could all be tied together there. This is obviously a lot of big thinking here. Like I said, I've had several people encourage me to bring it out. They'll get really excited about that. So anyway, I hope that answers your question.

MR. WATERS: It does. Thank you. Just to clarify.

MR. PARMLEY: Sure.

MR. WATERS: You mentioned conference center. Do you -- are you talking about a conference center or convention center and what's the difference?

MR. PARMLEY: Convention center. I'm talking about 30,000 square feet usable space, 56,000 total. Usually about 70 percent is usable for rentable. You'd have a space for a banquet for a thousand people and the lower level you break into several rooms for smaller meetings. So it would be a full-fledged convention center to be clear on the term.

MR. WATERS: Thank you.

MR. WREN: Thank you.

MR. PARMLEY: Anything else?

MR. WREN: Jeremy.

MR. ROOT: Thank you, Mr. Chairman. Mr. Parmley, thanks for being here. I think that your properties in Columbia are great. The Hampton over on Stadium Boulevard has been a nice addition and the replacement of the Regency with Broadway Hotel is by anyone's measure a net gain to our community and so thank you for your investment in our community to date.

With respect to the proposal on the current proposal that's before us, which is the quarter acre parcel to the north of your tower, I see in the application materials a letter from Carrollton Bank, and it's my understanding that the first project was financed through in part Carrollton Bank but also in part Midland States Bank.

MR. PARMLEY: That's correct.

MR. ROOT: And I wonder whether you have a similar financing plan in mind for Tower 2 and if so why don't we see commitments from the other lenders as well?

MR. PARMLEY: Midland States specifically you're talking about.

MR. ROOT: Any other lenders?

MR. PARMLEY: I think I told you on the phone kind of the history of this back in 2010 when I was trying to advance the project I probably took it to 15, 20 banks including several local banks who looked at the project and for various reasons, probably the fact it was a very ambitious plan and the fact we were in a recession, nobody was loaning money, so they rejected the plan. So like I said, once again it's easy to tell it's sunny outside today but banks certainly don't. They're not known for that. That's not their forte as being optimists.

I've talked to both the banks, Midland States and Carrollton, about helping with this next project. They do show interest in doing that as you've seen evidenced by the letter. Midland States -- I could provide a letter if need be from Midland States if that's necessary.

MR. ROOT: They were the majority lender on the first tower, correct?

MR. PARMLEY: They were, that's correct.

MR. ROOT: Do you know what the loan limit is for Carrollton Bank?

MR. PARMLEY: I'd be guessing if I said so. Maybe 6, 7 million. That's why they came into participation. To further explain, once again, all the other banks in 2010 are in recession. The loans that they had -- usually they try to have a certain loans of different type of industries, hotels being of the buckets so to speak. Their buckets were basically full of bad hotel loans who were going bankrupt right and left. They had no capacity.

We were fortunate enough to run into a Midland States Bank who had just opened a branch in St. Louis out of southern Illinois and they were so new to the area in the market they didn't have any hotel loans in their portfolio. Otherwise, we wouldn't have been able to get that loan either probably. So I think that's illustrative it's one of the difficulties in financing a project. There's always a bump in the road, and we try to deal with them the best we can.

MR. ROOT: Thank you.

MR. WREN: Thank you. No further questions, then at this time we'd like to move to receiving written comments from the taxing jurisdictions. We will just start down the row. Andrew, do you want to start? Do you have any?

MR. ROOT: I did not receive any written comments from the taxing jurisdictions other than the letter from the Library Board that was submitted to all the members of the Commission late last week I believe but nothing in addition to the materials that we've already received.

MR. WREN: Then at this point we will go to written comments from the public. Do we have any we would like to share?

MR. GRIMM: Mr. Wren, just for the record would you make a note or have Ms. Cole note for the record any taxing district written comments that have been received in advance of the meeting? Mr. Root mentioned Columbia Library District. If she could just note which letters she has received for the record.

MR. WREN: Heather.

MS. COLE: That might be the only one. They'll all be attached with the minutes afterwards. I'm not sure offhand which other ones I haven't already -- I mean they've all been forwarded on to the TIF Commission already.

MR. ST. ROMAINE: They have. I think the only -- correct me if I'm wrong, Heather, I think the only formal letters expressing their decision on this particular project have been from the downtown CID.

MS. COLE: That was included in the first public hearing.

MR. ST. ROMAINE: Which was included in the first public hearing and for this one as was mentioned the letter we received from the Columbia Library District here recently. Those are the only two that I'm aware of.

MR. ROOT: Mr. Chairman, I'm not sure whether we received it in terms of in writing. I'm aware that the Board of Education also took a vote regarding the proposal.

MS. COLE: There wasn't a written letter to e-mail to anybody.

MR. ROOT: Okay.

MR. KELLY: Can I ask the assessor's statement, questions about that? I'm not sure how that comes into it all that I just got a little bit ago.

MR. WREN: I got that later today myself as well. Let me see if I can find that.

MS. PITCHFORD: The County Commission has not taken a vote or sent a letter.

MR. KELLY: This was from the assessors, the e-mail that was forwarded on?

MR. WREN: Yes. This was from Mr. Tom Schauwecker.

MR. KELLY: When is a good time to bring up questions on that?

MR. WREN: I would be happy to read that.

MR. KELLY: I'm more interested in questions on it.

MR. WREN: Okay. Basically what he is saying is that the assessed valuation in the central business district has increased by 60.52 percent since 2008. Meanwhile, the assessed value in the City of Columbia has increased by 22.71 percent since 2008. Development has occurred at an unprecedented pace in downtown Columbia for the past nine years. It goes on into more.

MR. KELLY: I guess my point there was, I don't know where this comes in as far as

e-mail sent to the Commission and why or for what purpose, but I did have a question on the next paragraph and where that came up as far as the figure \$4.3 million that the schools, roads, library, public safety would lose. I'm not sure why it was sent to us and then second of all, I'm not sure what substantiates that being sent to us and what substantiates those figures.

MR. WREN: Let me ask a quick question. Is Mr. Schauwecker here? You're here.

MR. SCHAUWECKER: Ladies and gentlemen, I'm Tom Schauwecker, resident of the 4th Ward, serve you as Boone County Assessor, past TIF Commission member actually back in the day. Your question. Go ahead, Mike.

MR. KELLY: My question basically is where did you get the figures 4.3? I didn't understand where you got those figures.

MR. SCHAUWECKER: The e-mail --

MR. KELLY: And the different taxes from the spreadsheet that the city provided Saturday shows one set of figures as far as 7.9 million that the city would enjoy and then 4.3 is just kind of a new figure being tossed out there. That's got kind of a broad statement to it that's it's from the -- my understanding of all this is the schools aren't losing really anything unless something else would come in that could pay that real estate with that property. So they would lose that 23 for the next 23. I'm confused on the figure I guess is what I'm saying.

MR. SCHAUWECKER: The analysis was conducted by our auditor, June Pitchford, and the 4.3 million -- it's like on a \$2 million mortgage the total cost of amortizing that over 23 years would be \$4.3 million. Conversely the taxing entities would receive a shade under, I apologize here, 695,000, but that was an analysis prepared by June Pitchford and perhaps she could answer that as well or better than I.

MS. PITCHFORD: Actually that figure, Mike, agrees to a figure in the applicant's Cost Benefit Analysis on Table 7. A sum wasn't provided on that table but the increment is identified for 23 years. In my analysis I just summed it up over the 23 years. That amount agrees to the total shown on Table 7 of the Cost Benefit Analysis.

MR. BEVERLEY: I've got a question, Tom. So were you involved with the Sasaki report ten or twelve years ago? Do you remember much about that?

MR. SCHAUWECKER: I believe I recall testifying before the city council prior to adoption, and in that report I think TIF was an essential component if I recall correctly, Andrew.

MR. BEVERLEY: I think that's right. One thing that's so interesting to me looking back at that, I hadn't looked at it for a long time, and in preparing for this meeting I pulled it up and looked at it. They talk about projects that are catalysts. And so, you know, the numbers that you provided that showed this remarkable increase in value in downtown and that I believe downtown supports, a strong downtown makes for a stronger Columbia. And so I look at the public schools and I see what's happened to their assessment base. We don't know where that comes from, but we know it all starts somewhere.

But the Sasaki report in particular used the word catalyst multiple times, and interestingly it said if we could have a hotel or maybe said a hotel conference center, that

would serve as a great catalyst. And so the question that I have for you, and I believe that's true. It's hard to know how much The Broadway Tower 1 has improved that part of downtown, you know.

As Dave mentioned, it was pretty rough before. Now it's pretty nice.

So obviously you're more familiar with the values than anybody else in town. I'm assuming that you would agree that there's been a positive influence on that part of Broadway as a result of the Tower 1, but can you have any estimate of what the value is, sort of the halo effect to the different directions has been from a project like that or even The Broadway if it's different?

MR. SCHAUWECKER: You know, Andrew, I believe the engine that drives our economy is the University of Missouri. I think the closer you get to that that's the goose that lays the golden egg. I think the unprecedented the 10,000 roughly increase in student enrollment over the last ten years is really what's driven the development in and around and near the campus, whether you look at Greek Town, whether you look at East Campus or whether you look at downtown or even North Central. So I believe that was the catalyst that really ignited downtown Columbia, to answer your question.

MR. BEVERLEY: But specifically if you're trying to see if there's been a positive, maybe negative, but almost certainly positive impact on the nearby businesses, you would know about the increase in their assessed values or any sense you have of increase in sales tax and things like that? I'm not sure I'm asking that clearly but are you following me?

MR. SCHAUWECKER: The assessor has nothing to do with sales tax. The reports filed annually, you know, by the TIF -- The City of Columbia is required to file an annual report on sales tax. Sales tax in Columbia and Boone County is pretty flat. Andrew, I don't know that you can say that any one project was a catalyst downtown. I'm so old I remember that when this was where we shopped and then we had Parkade Plaza and the Biscayne Mall and the Columbia Mall.

And so the retail has moved, you know, out to Stadium Boulevard, Grindstone, you know, and out on the east side.

MR. BEVERLEY: Right.

MR. SCHAUWECKER: But we began to see, you know, Buchroeder's, you know, renting lofts above, you know, converting that second and third floor into student housing. Again, I don't know that you can -- that I have any empirical evidence as to what drove the extraordinary growth downtown.

What this letter really was about, and I was going to wait for public comment, and I did send this to the School Board and there was a bit of miscommunication between June and I, and I apologize, but I thought that you had received this shortly about the 18th or 19th of October. But what was interesting to me in the but-for test was that Gilmore Bell clarified that and said would redevelopment occur on that site without TIF, and I believe given the explosive growth downtown that the answer is absolutely yes.

The last paragraph or the third paragraph, you know, is the people I serve, I worry about the people who pay the taxes. That's who I work for. And a TIF shifts the tax burden because state law allows the schools to include that in their bonding capacity and the rest of us will pay for that bonding capacity for 23 years, the developer won't. So there is

genuinely a shift in the tax burden on any TIF. That was the essence of this letter, Mike and Andrew. Any other questions I'd be glad to answer them. Thank you.

MS. OROPALLO: I have a very slight comment. I too looked up the Sasaki report and I was here at the time it was done, and they did talk about hotel and conference and what a boon it would be. The word catalyst was a trigger for everybody because it was good. They were talking about it on Elm Street. They were talking about south of Broadway closer to the University which goes along in line with what Tom was saying that that's where that development ideally would happen to have the best effect. Not that this wouldn't be a good effect if it happened north of Broadway, but the Sasaki report spoke about the development Elm Street, south of Broadway closer to the University were the exact thing that Tom just stated.

MR. KELLY: I'd also like to say in experience with the CVB over the last ten years public knowledge we've used this time and time again as hoteliers for every one dollar spent in a hotel, three dollars are spent in town, and that's even what our own local CVB will state as far as what we bring and then the -- I guess the University is a large part of our business without a doubt, but I would also state there's other large parts of those businesses that come in that are conventions association. A great one is MSHSAA. 29 weekends this year alone in what it does. I think that's important things to consider, too.

MR. SCHAUWECKER: Michael, I think the essential question is, is it new net revenue. I had the privilege of refereeing high school and college football and basketball for twenty years. The tournaments bounce between Springfield and Columbia, whoever cut the best deal, but is this net new money? That's the real question or are we taking it away from other convention and visitor facilities.

MR. WREN: Tom, thank you.

MR. SCHAUWECKER: Thank you.

MR. WREN: Wrap up the written comments from taxing jurisdictions? Any written comments from the public? I did receive one written e-mail today from Mr. Randy Gray who asked the question of Mr. Parmley, if you would like to answer, how many TIF proposals has your firm worked on in Missouri and of that number how many or what percentage has your firm deemed met the TIF criteria?

MR. NASI: I believe that message or e-mail was directed towards Development Dynamics. Just to give you a little idea, our firm has been around approximately 20 years. We've worked on dozens of -- when you say work on, there's different aspects that you work on, but we have participated in dozens of TIF projects.

As far as has every project that's come to us, we probably had more that didn't proceed beyond the initial stages and do part of the evaluation because the first thing is, is there a potential to qualify, does it satisfy the requirements whether it's under the conservation area or under the blight area. If it doesn't satisfy that, it doesn't move forward any further than that.

I'm not sure how to answer the second aspect of the question which is we have had a large number of projects who have pursued it initially but when you have the discussions about except for the fact that it doesn't qualify, those projects end up dying and not proceeding forward.

MR. WREN: I appreciate you answering Mr. Gray's question.

Any other written questions from the --

MR. BEVERLEY: Chip could present another e-mail, right?

MR. WREN: Yes.

MR. CLARK: It was an expanded version of what he submitted before.

MR. WREN: It was an expanded version of what he submitted before, and I would ask that this be entered into the record. Any other?

MR. ROOT: In case you need a motion, I'd so move. I don't know the procedure on entering into the record.

MR. WREN: Well, we're going to move on to the oral comments from the taxing jurisdictions. Any oral comments? No?

MR. CLARK: Actually I had one or two. There was a request that I had sent and maybe it was too late and didn't get in time about information about the contracts with either Mr. Ditter or the Ditter Properties, LLC and so I'm hoping we'll get to hear something about that and then secondly there was a lot of talk about 2010/2011 what was -- nobody has offered or planned to do anything about this one quarter acre or other places downtown. It occurs to me that as Mr. Schauwecker demonstrated an enormous amount of development downtown in the last ten years. But in particular there are two or three things that have happened that really go to the issue about whether this property might be likely developed otherwise.

Just this year we developed and specifically developed and the city approve a form based zoning guide for downtown. That is actually a 25-year long range development plan for downtown. So when you're looking at the past and say nobody has come and said anything about this property, we've had that big change just within the last six months. So that notion about nobody coming about this particular property and saying that's evidence that nobody ever will with this big change in our planning environment. It's also the case that somebody was worried about doing something downtown because of the sewer. We've rearranged a lot of sewer money basically to build the Flat Branch Relief Sewer System and related stormwater.

And we've done some things specifically to basically deal with do we have enough power downtown in terms of redistribution from our power plants. All of these things are really quite new and so even if there had not been investment on this property or other places in downtown in the past, these three new factors just -- for me they basically blow out the water about you can be absolutely certain that nobody is going to want to develop or there won't be any development either in downtown as a whole or on this particular property.

MR. WREN: Thank you, John.

Any other comments from the taxing entities? If not, then we will now proceed with oral comments from the public. If you would like to speak, please raise your hand. I'll pull you up one at a time. Please come to the microphone, introduce yourself and your address.

Good evening.

MR. HASLAG: Good evening again. Joe Haslag, 5304 West Tayside Circle, Columbia, Missouri.

I've had a little bit more time. So forgive me I don't mean to glaze anybody's eyes over but I've just had a little bit more time to do some arithmetic. So let me give you a scenario. Let's suppose that the TIF is provided to Mr. Parmley. The average growth rate in Columbia, Missouri over the last 15 years has been 1.8 percent.

Now, what that means is that about 17 cents of every dollar of additional capital that's put in Columbia is going to go into a flow of goods and services that are produced in Columbia. So if this is a \$20 million project, we can do a simple arithmetic and say that that's going to generate about three and a half million dollars a year over the next 20 to 25 years, for example. Let that flow increase at the average growth rate at 1.8 percent. So it's three and a half million the first year. Multiply that by 1.8 percent the second year and let the compounding go.

Now, if that's the case, then the question is is what's the revenue that's going to be generated off of that flow of goods and services that are produced. Historically the average amount of revenue of goods and services that are produced in Columbia generate one cent for every dollar of additional goods and services produced.

So let's do one more step of arithmetic. That three and a half million dollars of extra goods and services produced in Columbia is going to generate about \$35,000 worth of extra revenue for the city. So if this TIF proposal is to go through, it's roughly 2 million. We'll just keep the math simple. But the discounted sum of extra revenues that are going to come to the city only amount to 650,000.

So as a first layer, I'm simply asking you to say is it justified. You're going to -- something -- now, these are averages. These are historical averages. So maybe this is a wildly successful project and the rate of return instead of being 17 cents on the dollar is 50 cents on the dollar. Great. We'd all love that. We all like to see that kind of economic development. We're all looking for big rates of return.

If that's the case, I submit to you respectfully it doesn't justify a TIF if we can look forward and say that it's going to generate 50 cents on the dollar. It could but averages are both sometimes it's above average, sometimes it's below.

The second thing is this could be a wildly successful project in terms of generating more cents per dollar of revenue for the extra goods and services that it's going to produce. But I submit to you it would have to be three times bigger than the average amount of revenue, city revenue per dollar of goods and services that are produced.

Again, if it's that big, something else is going on behind the scenes. If it's that big, if Dynamic Development or somebody else can make a compelling argument that it's going to be that big, that it's going to be substantially higher than average, then you guys should be not only providing TIFs to this hotel but every hotel that's going to be generating this kind of revenue. You're responsible for the public moneys, and I simply submit to you that it doesn't make any economic sense for you to submit public moneys for this project. Thanks for your time. If you've got any questions, I'm happy to talk about the underlying assumptions or anything like that.

MR. WATERS: Mr. Haslag, I do have a question.

MR. HASLAG: Yes.

MR. WATERS: Based on your math, would it ever make sense to do a TIF?

MR. HASLAG: There are situations in which possibly it could, but it's really hard to make sense out of it, yeah.

MR. WREN: Thank you, sir. Yes.

MR. EDDY: Hi. My name is Jan Eddy. I live at 810 Ames Drive. As a relatively newcomer to this town, I've noticed the improvement in the downtown over the last four years but I've also noticed that if you're going to add more structures and maybe the tertiary, the third component to this complex which should be like a thousand visitors a day, where is your traffic going to go and who's going to pay for the increased cost for the traffic structures? Simple question.

That's basically I see sort of if you're going to take tax money and pay for development necessary, there are many parts of the town that have no sidewalks, streets narrow, crumbling. I think there's better places to put our tax money than in developers that want to make more money off of our town.

And if you're looking at the University as a catalyst for this, keep in mind that the historic population of students as I understand it for the University of Missouri is like about 25,000 students. And with the demographics, we can't conclude that it's always going to be 30, 35,000 students. That's my opinion. Any questions?

MR. WREN: Thank you very much.

MR. EDDY: Thank you.

MS. COLE: Sir, could you repeat your name, please?

MR. EDDY: Jan Eddy. That's with a y.

MS. COLE: Could you spell the last name for me?

MR. EDDY: E-d-d-y. Thank you.

MR. WREN: Thank you, sir.

MR. KLACHKO: My name is Hannah Klachko. I live at 407 Westwood. The beautiful downtown Broadway Hotel is certainly a great attraction and an addition to downtown Columbia. The addition of the tower would surely be an enhancement. I'm taking the Warren Buffet approach to this TIF proposal. I'm concerned about the money that has already been spent and to be spent for the accommodation of the many high rise buildings within the last years.

With the declining University enrollment, it's apparent that overbuilding has occurred with the consequence of future under occupancy. If things do not improve, then in 10 to 15 years we may be facing maintenance needs without which depreciation of those properties will occur with subsequent reduced property tax collections.

The same maintenance needs will be for the second tower. Never mind the 23 years. Therefore, the city of Columbia should not afford to give the subsidy for the building of the second tower. So says Warren Buffet.

MR. WREN: Thank you very much, ma'am.

MS. TURNER: My name is Alyce Turner. I live at 1204 Fieldcrest. So like many other Columbians, I've been following this TIF discussion. I think it's been really useful because we're reassessing our downtown after several years of recent development.

And as we heard from our assessor in the paper and tonight, we're finding that downtown is worth a lot more than a few years ago when this individual maybe bravely decided to redo the falling apart Regency Hotel which we all applaud him for. But today is not then.

When I walked in the room, I happen to work in the public health field and I saw this interesting discussion of one of the reasons we should grant this TIF because of its harm to public health and safety. I don't know if -- I'm not quite sure if he said this was a description of that area. Dog excrement, loitering, loud music, used prophylactics, alcohol containers. I immediately thought how many of us have been in New Orleans the next morning after. They just wash down the streets and get rid of any such debris.

Luckily Columbia isn't at that point, but the point is that property is worth a lot of money. It's not blighted which is every definition I looked up for needing a TIF was a blighted area. I don't think we're blighted at this point. Thank you.

MR. WREN: Thank you very much, ma'am. Do we have any other people or anybody else that would like to speak at this time? Yes, please.

MR. SPELLMAN: Good evening. My name is Steve Spellman. I live at 2312 Katy Lane here in Columbia these days.

MR. WREN: I'm sorry. What was your name again?

MR. SPELLMAN: Steve Spellman, S-p-e-l-l-m-a-n.

I'll try to get close enough but far enough away from this thing.

MR. WREN: Thank you.

MR. SPELLMAN: You know, I've lived in this community, grew up here, lived here my whole life, work downtown in the professional financial industry for a number of years. Here's a private citizen and just kind of pragmatic observer. I'm not an entrepreneur, though, I'm not a real estate developer let alone a hotel proprietor. You know, certainly trust the numbers being presented by the applicant here about potential profitability or lack thereof or opportunity that he might see as an entrepreneur.

I certainly appreciate the vision for downtown and possibilities that we could see in the future. But you know, we have, you know, in this community a tax and regulatory regime. We have a planning and zoning process. Any entrepreneur that wants to come here and submit to the rules that we have established for our community, you know, God bless them.

If they see opportunities for job creation, and so forth, not to get ideological, but I'm open

to that sort of thing I guess as a citizen. You know, asking for a tax discount essentially, that kind of crosses over into where that is part of the public consideration and so being sold as a public body here on the numbers and the economic forecasts, and so forth, it becomes something that you guys get to dig into which I appreciate your efforts in that regard.

Just from a personal historical perspective, I remember as a youth downtown. In the eighties or nineties, downtown wasn't exactly the place to be, right, some closed places, not really happening. As a national trend, things had gone development out to the suburbs, to the mall and that sort of thing.

We've seen a resurgence, though, in recent decades of that. Infill and the urban core in downtown areas, our community and other communities like it included we've seen a resurgence. The county assessor kind of attested to that here in recent times.

2008/2009 financial crisis affected everybody to some degree. We saw public coffers being reduced, particularly those depending on sales tax. But you know, at that time we had this opportunity. A TIF was kind of a new thing to our community, as I recall. There were two specific projects that came before the TIF Commission at that time. Both downtown properties, both hotels, and hotels that had been in disuse or disrepair otherwise.

The Tiger Hotel, you guys know these examples, but just observations: The Tiger Hotel, historic property. People were concerned is it going to meet the wrecking ball one of these days. Had been a hotel, had been senior living apartments for a time. A demonstrated non-economical property and especially in those economic times.

The Regency property there which the applicant has certainly transformed and appreciate that. That really services the community one way or the other and the beautiful property and the Top Level Roof is great. I've been to a few parties there. It's really great to see the community from that viewpoint I would say.

But, you know, that Regency, if not blighted it was in disrepair. It certainly lost its sheen to say the least. Maybe not a crack house or something, big city sort of thing. What's there now is better. And so just being pragmatic and non-ideological, you know, those two projects were pretty specific and they turned around something that were kind of almost proven to be non-economical regardless of the projections that we saw about Tower 2 that are coming here.

Fast forward to today and it's been commented upon by some other fellow citizens here what's occurred in recent years. There's no secret that downtown has boomed. In fact, the concern about lack of development has switched to some can't beat developers off with a stick quick enough. We've seen a stress on infrastructure.

In fact, we had a new mayor come in just last year I think it was and institute a six-month downtown building permit moratorium because this was happening so hard and so fast. I'm not here to argue in favor or against that policy, but the thing is downtown development is booming. Property values are booming. And working downtown for the last twenty years is real nice I must say. I like to walk around and kind of see what's going on.

As this TIF project has been in the news, I've tend to wandered over toward this property in question and kind of looked around. I do see as the pictures indicate surface parking

lot, maybe an underutilized single story building that's got a sign on there don't come here, it's not a retail place. Looks like there's storage in there or something.

I kind of looked around. If you're familiar with the property and been there, you actually have to look up and around because within a stone's throw there's Broadway Tower 1. There's the accompanying Short Street parking garage the city built in conjunction with that project, the Brookside complex which goes a couple three city blocks and goes across the street on Walnut there. To the north there there's another tower that kind of obscures the Orr Street Studios, and so forth.

Looking up over some other buildings that are existing, there's cranes working, there's new buildings that have popped up. To say that downtown is depressed or in the threat of being blighted is a real stretch I would say in that regard.

You know, to say that this particular parcel is some kind of armpit, that it's a magnet for dog poop and used family planning devices, things like this, you know, I do see that as kind of unfortunate that that has to be proven and talked about here, and so forth. But I also find it interesting that the taxing districts in previous TIFs and other tax abatement type of projects has been kind of on board as seeing the but-for test kind of passing.

I was interested to see in the paper the other week that the School Board was recommending the representatives know here with some concerns. Saw that in the paper and won't quote the commissioners here this evening. Since he's not here and gets called on, your colleague Jonathan Sessions was quoted as saying, quote, we're being asked to roll some dice and see if it pays off in 23 years. So kind of a gambling analogy. Really taxing entities and really essentially taxpayers one way or the other, as the county assessor was talking about, really to give analogy we're asking to play roulette and put \$2 million on 23 red. I don't think that's the position that our community should be put in.

So one last thing and I'll yield to some other folks here that want to speak. Broadway 2, this tower that's being proposed, if you approve yes, if the city council approves yes, it goes through, it's built, it will demand greater public services than what's there now. Hopefully it has good occupancy and guests in these rooms and conference goes, and so forth.

There will be medical situations, they'll be some altercations unfortunately where police and fire are called out. This entity, this property won't essentially be paying its fair share. There's a sense of equity as a citizen that kind of concerns me in this regard. It was mentioned about if this gets passed with I think in my opinion kind of too optimistic of reading of the statute particularly with the what fors and some of the examples they put here, you know, why not a Broadway 3, why not say that the KeLani, D-Sport Building it's not very good, there was a drunk guy out there last night, you know, morals or public health or what have you, and so forth. I just tried to imagine what level of creative sophistry it will take to sell this body and our city council that the but-for and other criteria is just necessary; that no other entrepreneur can possibly imagine some profitable use for this property is quite a stretch and concerns me as a citizen.

I do want to thank you for your service on this Commission. Thanks for your time and attention.

MR. WREN: Thank you very much, sir. Any other from the public? Sir.

MR. WILLIAMS: Eric Williams, 1001 Madison Street. I would like to have a vote no against this project. For a property owner to say I can let my property purposely get into disrepair to meet this and get free money from the government for a downtown structure is beyond conceivable.

I'm pretty sure it could easily be cleaned up and not become a blighted property very quickly. For the money that would be lost from the school districts and putting the schools at a disadvantage from teaching more students and providing more services, the city losing more tax money for police officers and fire fighters from taxing from a building. You say well, no one is going to build a building there. You heard from the taxing authority that downtown has grown 60 percent. If they'll throw a for sale sign up on the property, I'm pretty sure it would sell to a developer that would want to develop the property and would have the tax base.

I go 70/63 interchange right now eight-story hotel going up right now. I'm pretty sure they didn't receive any money from this taxing body to build that hotel. And I think the market is great enough in Columbia where we do not need to be giving out corporate welfare to multi-millionaires. I'm pretty sure David Parmley is a smart individual who could secure funding from other investors. Thank you.

MR. WREN: Thank you, sir. Any other comments from the public?

MR. RENTSCHLER: My name is John Rentschler. I live at 4201 Cape Cod Court, Columbia. Good evening, members of the Commission. I don't normally come out for these events so I admittedly am a little nervous.

As I've read about the application in the local newspaper, talked amongst a number of friends and listened to our city manager speak at a Rotary Club recently, I was spurred to come out and speak to you.

At our Rotary Club, follow me a little bit of a long way around the barn here, but you've probably heard the city manager say how our tax base in Columbia is being deteriorated through Internet sales. I don't know if anybody has heard that. And he's saying it's terribly unfair to the local retailers, which it is somewhat but change occurs. But I think his bigger point is the city loses revenue. And the city needs that revenue to provide the services that we all demand and expect as citizens.

So if you follow that logic, which I think is fairly reasonable, I'm wondering why we're willing to take another step towards further deteriorating of the tax base because as the previous speaker said, we're going to build the property, there will be demands for city services yet we're not collecting the revenue to help provide those. Why do the rest of the citizens need to be responsible for picking up that tab. So that's one point.

I find it hard to believe that we can sit here and talk with a straight face about property in downtown Columbia being blighted. If you look straight up 8th Street, there is a six-story building going up that not too long ago was a patio for a local restaurant that at one time was a popular happy hour place. I assure you that 24 months ago none of us here would have had the vision for a six-story office building on that space. So free market capitalism has a funny way of finding solutions. That's what I would ask you guys to do is let free market capitalism run its course and see what comes up.

If Mr. Parmley can put together the project without the TIF, I would be all for it. I would hope that the city would do all they could to help him. If he's saying I can't put this

project together, the project doesn't have the margins, it doesn't have the profitability, I don't think it's our business to help him along.

MR. BEVERLEY: John, I've got kind of a follow up question, if I may.

MR. RENTSCHLER: Yes, sir.

MR. BEVERLEY: So for the people who don't know John, he's one of the sort of top financiers in town. He's used to dealing in numbers and big numbers.

MR. RENTSCHLER: That's a little humorous.

MR. BEVERLEY: You're very financially sophisticated.

MR. RENTSCHLER: Thank you.

MR. BEVERLEY: And these TIFs I understand are difficult to understand. But if you were going to -- if you're looking to invest \$20 million of your money and you're going to be -- there wasn't anybody except you providing that money and you had the opportunity to get a couple million dollars of it back through essentially a tax subsidy, what would you want your rate of return to be? What would your required return expectation be? Would you want 10 percent or I want 12 percent to take that \$20 million kind of risk for yourself?

MR. RENTSCHLER: First of all, Andrew, I'm not at all a real estate -

MR. WREN: Okay. I would just like to intercede here. Andrew, I appreciate where you're coming from, but I don't know as that this is the time to question the witnesses.

MR. BEVERLEY: You're going to let him off the hook that easy, Mr. Chairman?

MR. WREN: This is the opportunity for public comments.

MR. RENTSCHLER: Here's what my quick response is. I am not an expert on real estate investing, not at all. I would say look at the historical return on a 60 percent S&P, 40 percent Moody's bond fund and there's your answer. That's what I would say is your hurdle rate, if you will, of a portfolio return and your background in trust work, and so forth, portfolio management, I know you understand that. Whether that's a reasonable return for real estate, I have no idea.

MR. BEVERLEY: The reason that I'm asking it, and we'll wrap it up here, but the reason is what you're saying is if the only way for it to work is with a TIF, forget it, just don't build it?

MR. RENTSCHLER: That's exactly what I'm saying. That's exactly what I'm saying.

MR. WREN: Thank you, sir.

MR. RENTSCHLER: Thank you. Thank you for your work.

MR. WREN: Thank you. My personal observations here on the public comments it's not a questioning the public. They're here to make their comments.

MR. BEVERLEY: Good point.

MR. WREN: In the case of Mr. Schauwecker, he was speaking as a public official and expert. So that was certainly appropriate there, but I would just ask that any other public comments be allowed to do so freely.

Do we have any other comments from the public? Yes, please come up.

MR. MAXWELL: I'm William Maxwell, 706 Fairview Avenue. I'll try to be more succinct than the last couple speakers. I agree pretty strongly with everything they said. I just think from a political philosophical standpoint I don't believe that we should be making any tax deals, bargains with developers for private business. They need to fund their own projects, and anytime that we give them a tax deal that's increasing the unfairness. That's a double negative. Excuse me. It's unfair to every other entity in the county in the city that pays taxes because we're immediately taking a larger share of the entire pie and the city's revenue is growing a lot slower than our population is and a lot slower than our commercial development is proceeding.

We can't afford to keep giving good deals, tax deals to developers. They need to pay for their own projects. And I think just on a broader level philosophically all of these tax deals, none of them should be done any more. I consider it as a taxpayer and a property owner, homeowner, it's extortion and it's a race to the bottom.

If the next community can give them a better deal on their taxes, then they'll go there. Overall it just -- over the long term, it's a slow chipping away and the foundation of the revenue we've got to have revenue to have municipal and county governments and school districts to serve the public. And I don't think we should be doing any of these what I consider extortion deals to cut people's taxes. That's all I've got to say. Thank you.

MR. WREN: Thank you, sir. Do we have any further public comments? Okay. I'd just like to take a second to thank everybody that showed up tonight and at the previous meeting. I didn't request any time limits on the public comments because this is a very important issue and I wanted to certainly let the public speak freely and whether you were for or against your input is very important and greatly appreciated.

Ms. King made a motion to adjourn the public hearing. Mr. Pearson seconded the motion.

Yes: 11 - Beverley, Kelly, King, Waters, Wren, Clark, Oropallo, Wade, Pitchford, Pearson and Root

MR. WREN: Before we move into old business, is there any need for a break, a five or ten-minute break at this point? Okay. Let's adjourn for say five minutes and we will meet back at ten minutes till.

(A recess was taken.)

V. OLD BUSINESS

VI. NEW BUSINESS

Consideration of Findings and Recommendations

MR. WREN: So we have agreed to adjourn the public hearing. There is no old business at this point.

The new business is Consideration of Findings and Recommendations and we will be able to discuss that once we decide which direction we wish to proceed. We have two options tonight. We can continue a vote at another date and time or we can proceed with a vote tonight.

Ms. Wade made a motion to vote on the TIF application tonight. Mr. Kelly seconded the motion.

Yes: 11 - Beverley, Kelly, King, Waters, Wren, Clark, Oropallo, Wade, Pitchford, Pearson and Root

MR. WREN: Yes. So we have unanimous agreement that we will proceed with the vote tonight. There are a number of ways that we can go with this vote. One way would be to vote on each particular item separately, the but-for separately and the conservation separately and a recommendation to the city council separately or the city has provided a motion on the TIF as a whole that we can vote either aye or nay, yes or no in one vote. So I will entertain a motion at this point.

MR. GRIMM: Excuse me. Mr. Wren, just to be clear, those aren't really either/or propositions. We need you to vote on the resolution either up or down and then if you want to have the additional votes on the findings that ultimately will be made by the council, that's at your prerogative.

MR. WREN: Okay. So we will entertain a motion on this resolution.

MR. GRIMM: I'm sorry to interrupt.

Ms. Wade made a motion to approve the resolution of the Tax Increment Financing Committee as presented. Ms. King seconded the motion.

Yes: 3 - Beverley, Kelly and Waters

No: 8 - King, Wren, Clark, Oropallo, Wade, Pitchford, Pearson and Root

VII. GENERAL COMMENTS BY PUBLIC, MEMBERS AND STAFF

MR. WREN: There's really -- we have some time for general comments by the public members or staff. Do we have any additional comments?

MS. KING: Just for our information, what happens from here? I know it still goes forward to city council but maybe can you talk about some timelines so that those of us who had questions.

MR. WREN: What I can tell you in the basic sense is that the city will review our recommendation and they can either accept it or not accept it. If they or the developer makes any significant changes to the proposal, then it has to go back through the TIF cycle.

MS. KING: When will city council review this recommendation?

MR. WREN: Tony?

MR. ST. ROMAINE: This will require two readings of city council. My best guesstimate it will get to council probably by the second meeting in November. They will probably vote on it the first meeting in December.

MR. CLARK: They have to have two readings. Do they have a public hearing as well?

MR. ST. ROMAINE: They will have the opportunity for public to comment on it also.

MR. WREN: I guess what I would say at this point is, just from my perspective, having served on, I think this is my sixth TIF Commission, I think this has been the most thorough, the most discussed, the most due diligence provided on a particular TIF that I have ever seen. Not that the other ones weren't up there. I think this one went above and beyond. I know there was a couple long meetings. We got to discuss all the issues.

I think when you are taking a look at changing the integrity of the tax base that the public has put forth that I think it's very important that we take the time to do that. So I personally want to thank each of you for your time, your energy and certainly want to thank the public that's come in.

Mr. Parmley, your work team, thank you for coming up in the hot seat many times over. It's greatly appreciated.

Do we have any -- Yes, Mr. Clark.

MR. CLARK: I must admit in my mind, and I saw tonight something about what is in the public record and what isn't the public record, what will go to the council and what won't go to the council. I say this because things have not appeared in the minutes that I would have anticipated.

MR. WREN: I believe, Tony, that would probably be standard practice, but I certainly support Mr. Clark's motion.

MR. ST. ROMAINE: Yeah, that would not be too difficult. We obviously have minutes. So we'll be able to provide the minutes from each of the last five or six Commission meetings I think, all the correspondence from the taxing jurisdiction public. We can make that part of the record that goes to council.

MS. COLE: Those are already included in the minutes.

MR. ST. ROMAINE: They're already included in the minutes.

Mr. Clark made a motion to request the record of all the materials generated by the TIF Commission and submitted to the TIF Commission go to the city council. This includes all letters that came in, meeting agendas and minutes, etc. to ensure that the full record of all those materials goes to the council. The motion was seconded by Mr. Pearson. The motion carried with all in favor.

VIII. NEXT MEETING DATE

None.

IX. ADJOURNMENT

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