CITY OF SEDALIA, MISSOURI
SPECIAL COUNCIL MEETING – NOVEMBER 23, 2015

The Council of the City of Sedalia, Missouri duly met in Special Session on Monday, November 23, 2015, at 6:30 p.m. in the Council Chambers with Mayor Stephen Galliher presiding. Mayor Galliher called the meeting to order and asked for a moment of silent prayer followed by the Pledge of Allegiance led by Councilman Rowe.

ROLL CALL:

James Cunningham	Present	Donald Meier	Present
Jo Lynn Turley	Present	Bob Cross	Present
Russell Driskell	Present	Tolbert Rowe	Present
Bonita Nash	Present	Vicky Collins	Present

Mayor Galliher commented that there have been difficulties in trying to correct the large amount of misinformation and inaccuracies spread throughout the community regarding the proposed Highway 50 TIF District. Per state statutes, the City Council are the only ones that can make decisions regarding TIF matters.

Public Comments:
Senator Jim Mathewson commented that during his tenor in the state legislature he took part in extensive research and study in TIF Districts and added that in his opinion the pieces of property in question would not be considered blighted. Mathewson also voiced concern on behalf of several citizens regarding the possible reduction of school taxes in the future if the City Council moves forward with the proposed TIF District.

Jim Marcum, in attendance as a concerned citizen, voiced concerns regarding traffic situations and the deceleration lane at Galaxy Theatre and commented that serious consideration should be given to letting vehicles back on the road at that location.

Tony Monsees, Coldwell Banker Monsees Realty, commented he has been trying to sell the parcel in front of Galaxy Theatre for approximately 14 years. Sedalia's population is the same as 100 years ago (21,000) and that the new development will create up to 300 jobs and that Sedalia must move forward at some point.

Other citizens that had previously signed up to speak at the meeting declined to do so because they did not have any new information to present.

Traffic Study Info:
Justin Klaudt, with Wilson & Company, presented a brief history and updated information on the traffic study for the intersection of Highway 50/Main Street/Oak Grove Lane.

- **Short Term Alternatives**: Build medians on North & South sides which would prevent vehicles on Main from turning left; Optimal design requirements is to maintain ¼ mile spacing with intersections.

- **Long Term Phasing**: Relocation of existing streets around the Industrial Park to spread vehicles out.
- **Budgetary Costs**: Total $20 Million (50 Highway/Curry Intersection $800,000; Main Street North $6.8 Million; Main Street South $1.2 Million; 10th Street Extension $4 Million; West Industrial Drive $3.2 Million; Internal Industrial Drives $4 Million).

Councilman Driskell inquired if property owners would have any input. Mayor Galliher stated that no changes would be made without obtaining input from property owners in the area. Councilman Turley inquired on the additional access that would be granted behind Galaxy Theatre. Mr. Klaudt commented that he just was recently made aware of the access and Mayor Galliher added that the traffic study will occur regardless if the proposed TIF District passes or not.

Staff and Consultant's Report:
Joe Lauber, attorney with Lauber Municipal Law and also the City of Sedalia's Economic Development Special Legal Counsel, presented the Staff and Consultant's Report on the proposed TIF Plan as well as the legal sufficiency of the proposed plan.

- **Procedural Issues**: During the TIF Commission process, it was discovered that a spreadsheet calculating the estimated debt service schedule was incorrectly calculating the principle and interest payments through the years that TIF revenues were coming in (Spreadsheet has been revised and TIF portion should be completely reimbursed in 21 years); TIF Commission voted 10 to 1 in opposition of the plan and City Council may either accept that recommendation or vote, by ordinance, to approve the plan which requires a super-majority (2/3 vote or 6 members) "Yes" vote to approve the plan.
- **Summary of Proposed Plan**: Star Acquisitions is the applicant and would like to be the developer if plan is approved; Development area is approximately 5.1 acres; Gross total project cost $11.1 Million; Developer portion $7.6 Million; Total incentives request $2.6 Million (23.4% of total cost); If developer has greater revenues from selling or leasing component parts of development, the amount of incentives is reduced; If the TIF is approved and developer is able to start, development is anticipated to be completed by December 20, 2016 with a total of 22,000 sq. ft. of additional retail and restaurant type uses.
- **Financing**: "Pay as you go TIF"; Developer will "up front" all of the costs for the development; If the development is successful and creates incremental or new revenues, those revenues would be the only source to pay developer back. If the development does not go forward, no incentives would be paid; Incremental increases in property tax revenues (property values) distributed as PILOTs and incremental increases in sales tax are referred to as EATs (TIF Revenues); Developer will also place an additional Community Improvement District (CID) over the development area which imposes an additional 1% sales tax for that area.
- **Legal Requirements**: TIF Plan must have contents necessary to be a complete plan as provided in TIF Act; Necessary improvements do exist; In order for TIF plan to be approved, Council must make 6 findings with regard to the plan (included in report).

Financial Review of TIF Plan:
Tom Kaleko, with Springsted Inc., presented information pertaining to the financial review of the TIF Plan. Springsted was contracted to complete the "But for Determination Report" which is statutorily required.

- **Key Highlights**: Report looks at developer performance; calculates profit in form of internal rate of return; compares internal rate of return with internal rate of return of like projects in the market at the current time; Project without assistance could not reach market rate of return. If developer brings project to market at lessor cost, the City's percentage of the cost would decrease by the same amount; If developer realizes greater revenue from lease or land sale, there would be decrease in TIF plan.

New Information/Facts:
Curt Petersen, with Polsinelli on behalf of Star Acquisitions, clarified that the developer comes in, buys land, starts development and until the developer builds they do not receive funds. TIF funds are not asked for unless a site needs assistance and Star Acquisitions will build to the highest quality.

ORDINANCES AND RESOLUTIONS:
BILL NO. 2015 – 149 ORDINANCE NO. – 10392 – AN ORDINANCE APPROVING THE 50 HIGHWAY TAX INCREMENT FINANCING PLAN, DESIGNATING A REDEVELOPMENT AREA, DECLARING THE PROPOSED REDEVELOPMENT AREA A BLIGHTED AREA, AND DESIGNATING STAR ACQUISITIONS, INC., AS THE DEVELOPER OF THE REDEVELOPMENT PROJECT was read once by title.
2nd Reading – Motion by Nash, seconded by Cross. All in favor.
Final Passage – Motion by Nash, seconded by Meier. All in favor.
Roll Call Vote: Voting "Yes" were Driskell, Nash, Meier, Cross, Rowe and Collins. Voting "No" were Cunningham and Turley.

BILL NO. 2015 – 150 – AN ORDINANCE APPROVING THE REDEVELOPMENT PROJECT OF THE 50 HIGHWAY TAX INCREMENT FINANCING REDEVELOPMENT PLAN AS A REDEVELOPMENT PROJECT AND ADOPTING TAX INCREMENT FINANCING THEREIN was read once by title on motion by Meier, seconded by Driskell. All in favor except Cunningham who voted "No".

Following 1st Reading, motion was made by Meier, seconded by Driskell to postpone indefinitely the vote on the motion to bring Bill No. 2015-150 forward for second reading by title only. All in favor except Cunningham who voted "No".

With no other comments, the meeting adjourned at 7:25 p.m. on motion by Meier, seconded by Driskell. All in favor.

THE CITY OF SEDALIA, MISSOURI

Stephen J. Galliher, Mayor

Arlene Silvey MPCC

Arlene Silvey, MPCC City Clerk