

**ROLLA CITY COUNCIL MEETING MINUTES
MONDAY, NOVEMBER 17, 2014; 6:30 P.M.
ROLLA CITY HALL COUNCIL CHAMBERS
901 NORTH ELM STREET**

Presiding: Mayor Louis J. Magdits, IV

Council Members in Attendance: Monty Jordan, Greg Sawyer, Matthew Miller, Kelly Long, Susan J. Eudaly, Don Morris, Stephen Bowles, Brian Woolley, and Tony Bahr

Council Members Absent: Jonathan Hines, Jim Williams, and Walt Bowe

Department Directors in Attendance: Public Works Director Steve Hargis, Fire Chief Robert Williams, Community Development Director John Petersen, Parks and Recreation Director Scott Caron, Interim Police Chief Rick Williams, and Finance Director Steffanie Rogers

Other City Officials in Attendance: City Administrator John Butz, City Counselor Carolyn Buschjost and City Clerk Carol Daniels

Mayor Magdits called the meeting to order at approximately 6:30 p.m. and asked a member of the Rolla Ministerial Alliance to give the invocation.

Following the invocation, Mayor Magdits asked Councilman Monty Jordan to lead in the Pledge of Allegiance.

I. PUBLIC HEARINGS

(A) Ordinance Rezoning Property at 303 N. Oak St., from GI Zoning to Woolf PUD: Community Development Director John Petersen explained the subject property consists of about 16,000 square feet and the request is to rezone the property from GI (Government/Institutional District) to the Woolf PUD (Planned Unit Development). He noted the subject property is divided into two phases. Phase I is taking the existing Missouri Department of Transportation (MoDOT) building and renovating it to a single-student housing or efficiency apartment-type of development. Because of this development, Mr. Petersen said the size of the footprint for this development is 5,510 square feet and it would be capable of handling fourteen individual units. Mr. Petersen pointed out the second phase of the PUD involves the construction of one duplex structure with a total building footprint of 2,700 square feet. He informed the Council that 20 parking spaces are being provided, although only nine are required. Mr. Petersen reported the Planning and Zoning Commission unanimously recommend approval of the subject-rezoning request.

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I. PUBLIC HEARINGS (continued)

(A) Ordinance Rezoning Property at 303 N. Oak St., from GI Zoning to Woolf PUD (continued): After a brief Council discussion, Mayor Magdits opened the public hearing to anyone wishing to address the Council concerning the subject-rezoning request.

Mr. Jim Larson, 11025 Emerald Ridge, Rolla, Missouri, representing the applicants, Larry D. and Darla K. Woolf, informed the Council the subject-property is currently owned by MoDOT. He noted the purchase agreement between the Woolfs and MoDOT, is to have the deal closed by the end of the year. Mr. Larson said plans are to excavate the asphalt and create more green space around both buildings. The interior of the building would be restructured with new facade. The reason no engineering drawings are available is that the property first needs to be purchased. Mr. Larson asked the Council to consider the first and final readings of the subject ordinance at this meeting.

As part of the approval of the ordinance, City Administrator John Butz suggested including the preliminary site plan Mr. Larson showed to the Council. He explained the PUD, by definition, is that you are seeing the density and layout.

Ms. Mary Atherton, 1401 Timberlane Court, Rolla, Missouri, questioned why some of the fourteen units are less than 300 square feet, as required by City Code. She suggested that maybe twelve units should be constructed to make them all 300 square feet.

Mr. Larson noted some of the units are over 300 square feet and the minimum size is about 280 square feet, which averages to about 300 square feet. He added this does not include the hallway or common area, which, when included, would exceed 300 square feet.

Mr. Petersen said normally the common areas/hallway serve everyone and usually are not included in the 300 square feet. However, the reason for a PUD is to allow for the exception.

No one else present addressed the Council concerning the subject-rezoning request. Mayor Magdits closed the public hearing.

City Counselor Carolyn Buschjost read the following proposed ordinance for its first reading, by title. ORDINANCE NO. 4177: AN ORDINANCE REZONING PART OF LOT 3 OF POE'S SUBDIVISION, A RESUBDIVISION OF PART OF BLOCK 9 OF THE JAMES ADDITION TO THE CITY OF ROLLA, MISSOURI FROM GI

I. PUBLIC HEARINGS (continued)

(A) Ordinance Rezoning Property at 303 N. Oak St., from GI Zoning to Woolf PUD (continued): (GOVERNMENTAL/INSTITUTIONAL DISTRICT) ZONING TO THE WOOLF PLANNED UNIT DEVELOPMENT (PUD) (WOOLF), amended with Exhibits A, B, and C, attached. A motion was made by Sawyer and seconded by Eudaly to suspend the rules and the ordinance be read for its final reading, by title. A voice vote on the motion showed nine ayes, zero nays, and three absent. Motion carried. Ms. Buschjost then read the proposed ordinance for its final reading, by title. A motion was made by Long and seconded by Eudaly to approve the proposed ordinance. A roll call vote on the motion showed the following: Ayes; Jordan, Bahr, Eudaly, Woolley, Miller, Sawyer, Bowles, Long, and Morris. Nays; None. Absent; Williams, Bowe, and Hines. Motion carried. The ordinance passed.

(B) Ordinance Rezoning Property at 503 N. Oak St., 103 E. Fifth St., & Sixth & Oak Streets from C-3 to R-3 Zoning (Wands): Community Development Director John Petersen explained the subject property is located at 503 North Oak Street, 103 E. Sixth Street, and Sixth and Oak Streets, consisting of 15,000 square feet. The applicant is proposing to build a six-unit attached apartment building with sufficient space to accommodate a maximum of 48 residents, which is allowed by City Code. Mr. Petersen reported the Planning and Zoning Commission recommend approval of the rezoning request.

The applicant, Mr. Dale Wands, 606 Penny Lane, Rolla, Missouri, asked the Council to consider rezoning the subject property to R-3 (Multi-Family District) zoning. He noted City Codes does not require submission of a site plan for his request.

Mayor Magdits opened the public hearing to anyone wishing to address the Council concerning the subject-rezoning request. No one present responded. Mayor Magdits closed the public hearing.

City Counselor Carolyn Buschjost read the following proposed ordinance for its first reading, by title. ORDINANCE NO. 4178: AN ORDINANCE REZONING PROPERTY LOCATED AT 103 EAST 5TH STREET AND 503 NORTH OAK STREET, 103 EAST 5TH STREET, AND 6TH AND OAK STREET FROM C-3 (HIGHWAY COMMERCIAL DISTRICT) ZONING TO R-3 (MULTI-FAMILY DISTRICT) ZONING. (WANDS). A motion was made by Eudaly and seconded by Bowles to suspend the rules and the ordinance be read for its final reading, by title. A voice vote on the motion showed nine ayes, zero nays, and three absent. Motion carried.

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I. PUBLIC HEARINGS (continued)

(B) Ordinance Rezoning Property at 503 N. Oak St., 103 E. Fifth St., & Sixth & Oak Streets from C-3 to R-3 Zoning (Wands) (continued): Ms. Buschjost then read the proposed ordinance for its final reading, by title. A motion was made by Eudaly and seconded by Long to approve the proposed ordinance. A roll call vote on the motion showed the following: Ayes; Woolley, Miller, Long, Bowles, Jordan, Morris, Sawyer, Eudaly, and Bahr. Nays; None. Absent; Bowe, Williams, and Hines. Motion carried. The ordinance passed.

II. SPECIAL PRESENTATIONS

(A) “Small Business Saturday” Proclamation (November 29, 2014): Mayor Magdits read from a proclamation wherein he declared Saturday, November 29, 2014, as “Small Business Saturday” in the city of Rolla, Missouri. He encouraged all residents to recognize and support small businesses within the community. Mayor Magdits then presented the proclamation to Rolla Area Chamber of Commerce Executive Director Ms. Stevie Kears.

Ms. Kears thanked the City Council for supporting this effort. She said the Chamber is very excited and passionate about supporting our local business community. Ms. Kears encouraged the public at large to support the business community and shop local. She informed the Council that on Tuesday, November 25, 2014, at 10 a.m., a ribbon cutting would be conducted at the corner of Seventh and Pine Streets kicking off “Small Business Saturday.”

(B) Rolla Municipal Utilities (RMU) FY 2014 Fourth Quarter Report: Rolla Municipal Utilities General Manager Rodney Bourne provided a brief overview of the Rolla Municipal Utilities’ (RMU) fourth quarter report. He noted the complete report is available for review at www.rollamunicipalutilities.org.

Councilman Sawyer asked Mr. Bourne if he would comment on RMU’s policy for those unable to pay their utility bills. Mr. Bourne said if someone believes they are going to have difficulty paying their utility bill, they should contact the RMU office to make arrangements. He pointed out if they do not contact the office or pay their bill, their electricity will be disconnected.

III. OLD BUSINESS

None.

IV. NEW BUSINESS

(A) Ordinance Approving the Forum Plaza Development Plan & Development Agreement for Tax Abatement Under 353 Redevelopment Corp.: City Administrator John Butz recalled the City has been talking with the Supermarket Developers Group, anchored by the Country Mart Store, for many months. He noted a public hearing was conducted in August where the Council approved the redevelopment plan that included the blighting study and the tax impact statement. Mr. Butz said the Council is now asked to consider two ordinances. The first ordinance pertains to the 353 Redevelopment Corporation that provides for 100% tax abatement over the increment for the first ten years and then 50% for the remaining 15 years. Mr. Butz explained it establishes a base of payment in lieu of tax (PILOT) equivalent to the 2014 basis and maintains that for ten years.

Mr. Mark Spykerman, Gilmore & Bell, P.C., the City's bond counsel, indicated they prepared the summary of the two ordinances before the Council. He said the first ordinance deals with the 353 Redevelopment Corporation and includes a development plan and development agreement that contemplates tax abatement. As mentioned by Mr. Butz, Mr. Spykerman said the City is talking about abating incremental taxes. He explained the taxing districts would continue to receive the taxes they are currently receiving now for ten years. The following fifteen years the taxing districts would receive the same base level taxes, plus 50% of the taxes that would be attributable to the increase in the assessed value. Mr. Spykerman stated there are several provisions in the development agreement that are intended to protect the City. The developer must indemnify the City, the developer must pay the City's costs, and the project must be completed before the tax abatements are permitted.

After a brief discussion, Mr. Joel Riggs, 5000 Kansas Avenue, Kansas City, Kansas, Supermarket Developers, Inc., and Associated Wholesale Grocers, and Mr. Joe Polizzi, Vice President and General Counsel of Country Mart, addressed the Council. Mr. Riggs stated they are here to answer any questions from the Council. In response to a question earlier from the Council, Mr. Riggs stated the 353-tax abatement and the CID (Community Improvement District) are both critical to the success of the project. He said in any redevelopment project that takes place, especially one like this, getting to a point of competitive rent is extremely important and without that assistance, you cannot get to that point.

IV. NEW BUSINESS (continued)

(A) Ordinance Approving the Forum Plaza Development Plan & Development Agreement for Tax Abatement Under 353 Redevelopment Corp. (continued): After discussion, Mayor Magdits noted the City Council has been receiving some feedback from citizens regarding the subject project and the development agreement. He said it is his recommendation to not have the first reading of the subject ordinance to give the City an opportunity to talk with the developers and bring it back in two weeks under closed session.

Following much discussion, a motion was made by Bahr and seconded by Bowles to set aside consideration of the subject ordinance. A voice vote on the motion showed nine ayes, zero nays, and three absent. Motion carried.

(B) Ordinance Approving Creation of Forum Plaza Community Improvement District (CID) and the Cooperative Agreement: Mr. Mark Spykerman, Gilmore & Bell, P.C., the City's bond counsel, explained a CID (Community Improvement District) is a self tax and is levied within the boundaries of the shopping center. He explained an additional one-cent tax would be assessed to the patrons in the shopping center. Mr. Spykerman pointed out the CID petition asks that the area be declared blighted. The significance of that is CIDs within blighted areas spend their money on rehabbing buildings. If it were not a blighted area, it would be limited to things such as sidewalks and street lighting.

A motion was made by Morris and seconded by Bowles to set aside consideration of this matter. A voice vote on the motion showed nine ayes, zero nays, and three absent. Motion carried.

Mayor Magdits told Mr. Joe Polizzi the feedback the City is getting from citizens is the financing mechanism for the project.

(C) Resolution Authorizing the Mayor to Execute a Contract for Service with the Rolla Area Chamber of Commerce: City Administrator John Butz said staff recommends extending the contract with the Rolla Area Chamber of Commerce for tourism services for another three years until December 2017. He provided a brief overview of the proposed amendments to the contract. Mr. Butz pointed out the Chamber has always provided the insurance for the buildings and property, which are owned by the City. However, staff has been looking to see if it makes sense for the City's insurer (MIRMA) to cover the buildings and save the Chamber the dollars, since it would not cost the City any additional premium. Mr. Butz said the City is discussing this with

IV. NEW BUSINESS (continued)

(C) Resolution Authorizing the Mayor to Execute a Contract for Service with the Rolla Area Chamber of Commerce (continued): MIRMA and the Chamber's current insurance carrier. Instead of delaying approval of the subject contract until the insurance issue is resolved, he suggested approving the contract with the same insurance provision. If staff comes up with another mechanism that would save both parties money, an amendment would be brought to the Council for consideration.

Following discussion, City Counselor Carolyn Buschjost read the following proposed resolution for one reading, by title. RESOLUTION NO. 1832: A RESOLUTION AUTHORIZING THE MAYOR OF THE CITY OF ROLLA, MISSOURI TO EXECUTE ON BEHALF OF THE CITY OF ROLLA, MISSOURI A CONTRACT FOR SERVICE BY AND BETWEEN THE CITY OF ROLLA, MISSOURI (LESSOR) AND THE ROLLA AREA CHAMBER OF COMMERCE (LESSEE). A motion was made by Sawyer and seconded by Morris to approve the proposed resolution. A voice vote on the motion showed nine ayes, zero nays, and three absent. Motion carried. The resolution passed.

(D) Resolution Authorizing the Mayor to Execute the Chamber Lease-Forest Service Property with the Rolla Area Chamber of Commerce: City Administrator John Butz explained that under the lease with the Chamber of Commerce for the Forest Service property, which is owned by the City, the Chamber is responsible for maintaining the property, historical buildings and Visitor Information Center. From the hotel/motel tax remittance, the City takes \$25,500 a year and makes an annual lease payment to the Forest Service for the acquisition of the property. Mr. Butz noted that in addition to the annual payments, the Chamber makes monthly payments for the use of office space. He noted in Section 3 of the proposed contract, that staff is recommending an increase in the monthly rent to \$200. Mr. Butz explained the Chamber does not pay this to the City; rather, they keep it in a fund that goes toward maintaining all the properties.

City Counselor Carolyn Buschjost read the following proposed resolution for one reading, by title. RESOLUTION NO. 1833: A RESOLUTION AUTHORIZING THE MAYOR OF THE CITY OF ROLLA, MISSOURI TO EXECUTE ON BEHALF OF THE CITY OF ROLLA, MISSOURI THE CHAMBER LEASE-FOREST SERVICE PROPERTY BY AND BETWEEN THE CITY OF ROLLA, MISSOURI, AND THE ROLLA AREA CHAMBER OF COMMERCE. A motion was made by Long and seconded by Morris to approve the proposed resolution. A voice vote on the motion showed nine ayes, zero nays, and three absent. Motion carried. The resolution passed.

IV. NEW BUSINESS (continued)

(E) Resolution Authorizing the Mayor to Execute a Fiscal Agent Agreement with the Rolla Area Chamber of Commerce: City Administrator John Butz told the Council because the State of Missouri chooses not do hotel/motel tax collections, the City has a fiscal agent agreement with the Chamber of Commerce. He noted the City retains 2% of the funds for collection purposes and to pursue those who fail to make payments. Mr. Butz told the Council the Fiscal Agent Agreement allows the City to retain up to 8% of the hotel/motel tax collections for City services provided in support of tourism efforts. He mentioned the City retains \$25,500 for land acquisition and the remainder is transferred to the Chamber. He said the Fiscal Agent Agreement establishes the Finance Department would act as the fiscal agent for the City on behalf of the Chamber.

City Counselor Carolyn Buschjost read the following proposed resolution for one reading, by title. RESOLUTION NO. 1834: A RESOLUTION AUTHORIZING THE MAYOR OF THE CITY OF ROLLA, MISSOURI TO EXECUTE ON BEHALF OF THE CITY OF ROLLA, MISSOURI THE FISCAL AGENT AGREEMENT BETWEEN THE CITY OF ROLLA AND THE ROLLA AREA CHAMBER OF COMMERCE. A motion was made by Bowles and seconded by Morris to approve the proposed resolution. A voice vote on the motion showed nine ayes, zero nays, and three absent. Motion carried. The resolution passed.

(F) Motion Naming Ber Juan Park Practice Field to “Larry Wilson Field”: Parks and Recreation Director Scott Caron recalled that about two years ago the City Council adopted a field naming and/or renaming policy. The policy states the request would come through the Parks and Recreation Department, be approved by the Parks and Recreation Commission, and then submitted to the City Council for formal adoption. Mr. Caron reported City staff received a request to name the practice field in Ber Juan to “Larry Wilson Field.” He referred the Council to the letters contained in the agenda materials detailing the contributions made by Mr. Wilson. A motion was made by Long and seconded by Eudaly to name the practice field at Ber Juan Park “Larry Wilson Field.” A voice vote on the motion showed nine ayes, zero nays, and three absent. Motion carried.

V. CLAIMS and/or FISCAL TRANSACTIONS

None.

VI. MAYOR/CITY COUNCIL COMMENTS

None.

VII. CITIZEN COMMUNICATION

(A) Open Citizen Communication: Mayor Magdits opened the floor to anyone present wishing to address the Council.

(1) Mr. Tom Sager, 8 Laird Avenue, Rolla, Missouri, commended the Council on turning down the Wal-Mart rezoning request two weeks ago and he said the next step is to turn down the tax abatement the Council just heard about. He noted that up the hill from the Forum Plaza are Sinks Pharmacy and the Coffee Mine built with no public money or tax abatements. Mr. Sager asked if it would be fair to give the Forum Plaza a tax abatement so they can compete on an unfair basis with Sinks Pharmacy and the Coffee Mine. He encouraged the Council to not approve this tax abatement.

Mr. Sager commended the Council on giving the City employees the second Monday in October off and in promising to make it a permanent City holiday. He noted this is traditionally called Columbus Day, but many communities, most notably Seattle and Minneapolis, are getting away from calling this holiday "Columbus Day." Mr. Sager explained Columbus was a mass murderer. He stated this is not the kind of person we want to be honoring in Rolla. Mr. Sager said Rolla should join with Minneapolis, Seattle, and other communities and call this holiday "Indigenous Peoples Day."

Mr. Sager recalled Proposition P had to be taken off the ballot because it was in violation of State law. He said placing the proposition on the ballot was expensive and its failure a deep embarrassment to the City, which could have been avoided by reading a single page of State Statute that says, "In no event shall a proposal pursuant to this section be submitted to the voters sooner than twelve months from the date of the last proposal, pursuant to this section." Mr. Sager said the Council could have taken his advice from a previous meeting. He read the following from the minutes of a previous council meeting. "Mr. Sager suggested the Council budget some money for park improvements and go out and tell everybody you were serious about improving our parks. After the City has done some work improving the parks, he suggested coming to the voters in April (2015). He said he believes this would go over much better than saying we failed to get this passed in April and we will try again in November (2014)." Mr. Sager concluded by saying the

VII. CITIZEN COMMUNICATION (continued)

(A) Open Citizen Communication (continued): (1) continued: City needs to get serious about improving the parks. This has gone on for too long. He encouraged the City to get started now sprucing up the parks. Mr. Sager also suggested taking the 8%, which the City uses for tourism purposes, and give it to Parks and Recreation for sprucing up the parks.

(2) Mr. Dale Wands, 606 Penny Lane, Rolla, Missouri, told the Council that during the past two weeks he went on sort of a scavenger hunt trying to find one person who is for the tax abatement. He said he talked to about 30 to 40 people, i.e., professional people, business people, individuals, citizens, and could not find one who was in favor of the tax abatement for Forum Plaza. However, today he indicated he spoke with one that was in favor of it, but with great reservation. Mr. Wands expressed concern with the definition of "blighted." He said when you read the definition it says "by reason of age, obsolescent, inadequate, outmoded design or physical deterioration. The redevelopment areas have become economic and social liability, and such conditions are conducive to ill health, transmission of disease, crime, or inability to pay reasonable taxes." Mr. Wands said it sounds to him like it should be condemned. He stated he does not disagree it would be nice to have that redevelopment in place. However, not at a \$4 million tax abatement. Mr. Wands stated some argue that if the City does not pass this \$4 million tax abatement, then the Forum Plaza may go dark. He said who is to say that another progressive developer will come in and put new lights. Legally, Mr. Wands indicated you could probably call it blighted. Rationally, he said he does not see how in any way you can declare it blighted using this definition. Mr. Wands stated if they cannot do it on their own, he asked why the City is giving them this tax abatement.

(3) Mr. Lynn McFarland, 601 Penny Lane, Rolla, Missouri, said he is one of the people who is in favor of the tax abatement. He stated the City is sending a message to other property owners. What you are telling any property owner is we are willing to work with you and we want to see our storefronts and businesses improve. Mr. McFarland said what he is not in favor of is the 25-year abatement period. If they were serious about wanting to upgrade, they would be willing to work with the City on something better than 25 years. Mr. McFarland said it is important the City Council show local businesspersons that we are willing to negotiate and work with them.

(4) Mr. Bill Wiggins, Phelps County Assessor, 594 Sycamore Drive, Rolla, Missouri, said he has heard a couple of comments from Councilman Bahr about what the City will be paying for the Forum Plaza project. He said if the City wants some similarity to the TIF (Tax Increment Financing) agreement with Kohl's and you want to

VII. CITIZEN COMMUNICATION (continued)

(A) Open Citizen Communication (continued): (4) continued: freeze 100% of the abatement of the increment, Kohl's is based on value and the Forum Plaza is based on tax dollars. Mr. Wiggins said if you look at the current agreement where it is based on tax dollar freezing, the City is paying for a portion of it with a frozen tax levy, a frozen tax amount. If you change the tax value allowed under the 353-development plan, then it can progress with the natural fluctuations of the levy. Mr. Wiggins stated he believes it will take some investment by tax abatements to redevelop that property. He noted these are the mechanisms the State has put in place to provide for economic development. Additionally, he asked the Council to look long and hard and get details on the plan so the City knows what it is getting into in the outset so if there are benchmarks to hit, they are real benchmarks, and not numbers, which are advantageous to the developer.

Mayor Magdits said what he hears is there is a difference between the CID and the 353-development corporation. At least with the CID, people can choose whether they want to pay for that tax by choosing whether to shop in the Forum. Mayor Magdits pointed out this is substantially different from the 353-development corporation. He said one of the things we all rely on is growth. You need growth to increase taxes to be able to have institutions such as communities, libraries, counties, and school districts. By the City trading away with those abatements Mayor Magdits said, we are, in a sense, stagnating our revenues and that is a substantial difference between the 353-development corporation and the CID.

No one else present addressed the Council.

VIII. COMMENTS FOR THE GOOD OF THE ORDER

(A) Happy Thanksgiving: Councilman Morris wished everyone a "Happy Thanksgiving."

IX. CLOSED SESSION

None.

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X. ADJOURNMENT

Having no further business, the meeting adjourned at 8:41 p.m.

Minutes respectfully submitted by City Clerk Carol Daniels.

CITY CLERK

MAYOR

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