

CITY COUNCIL STUDY SESSION

TO: Mayor and City Council
FROM: Mari E. Macomber, City Manager ^{MEM}

SESSION DATE: July 14, 2008
TIME: 5:30 p.m.
PLACE: City Council Chambers

AGENDA:

- **Smoke Ban Impact Report**
- **Downtown Redevelopment**
- **Newsletter Review – July 11, 2008**

SMOKE BAN IMPACT REPORT

The City Council, at the request of citizens of the community began discussing whether or not to implement a smoke ban in 2006. After many meetings and discussions with citizens the Council decided to place the issue on the ballot to gauge the interest of a smoke ban from its citizens. Sixty-one percent of the individuals casting their vote in the April 2007 election voted to support a smoke ban. On April 4, 2007, the City Council voted to pass an ordinance that would prohibit smoking in certain public places including bars, city operated facilities, recreation facilities, restaurants, amusement places, bed and breakfasts and banquet facilities when employees are present and working at the banquet facility. The ordinance did not cover those facilities operated by membership associations. The effective date of implementation was set for July 1.

At the time of its passage, the City Council stated that they would review the fiscal impact of the ordinance on the City and requested the City Manager to compile this information over the course of the next year and present the information in July 2008.

Periodically over the course of this last year, information has been given to the City Council as a precursor to July 1 and as a way to monitor whether or not the ordinance was having a significant impact on the City's revenues. Preliminary reports showed little to no financial impact on sales tax and gross receipts tax generation.

We expanded our review to try and gather as much information as possible that could help us determine whether or not there was an impact. The following list shows the reports that we have generated based upon the information available to us at the time of this report.

- o Comparison of 1 Cent Sales Tax Collection
- o Comparison of Gross Receipts
- o Cigarette Sales
- o Number of Non Membership Businesses Affected by Ban
- o Number of Liquor Licenses

Keep in mind that our records regarding sales tax and gross receipts tax are delayed due to collection and reporting requirements, but the reports that you have been given do compare the information from the same periods. It is clear that revenues have not gone, but what is not clear is if revenues would have gone up. A contact of employers regarding employment numbers showed that the level of employment at the various locations fluctuated based upon the time of year but remained relatively constant. This seems to be more of a trend relating to the return and departure of students of Truman State University.

Also included is a list of incidents for 9 bars located within the city limits of Kirksville. This list shows incidents (calls for service) documented by the Kirksville Police Department over the last five (5) years. There was not an increase in the number of calls, but there clearly was a decrease. This report fails to show any correlation between the calls for service and the smoke ban, but what it does pinpoint the areas where we have the most problems.

It is my understanding that Breathe Easy is conducting a study and will share their report once it is completed. I did receive a copy of a report completed for Maryville, Missouri, the first city in Missouri to implement a ban. A copy of this report is included as an enclosure. As we have conducted our research, it was apparent that one could find reports showing both the positive and negative affects of a smoke ban on a community/organization.

From an administration stand point, we have received minimal complaints, have had few compliance issues, and have not seen a downturn in our revenue collections.

Matter of Interpretation – early on we had determined that someone smoking in a drive through lane at the window would be in violation of the ordinance. We were just asked this week about this provision, based upon the intent of the ordinance, section (b) below is clearly for individuals who are moving past with no intention to stop, drive through windows require the patrons to stop at the windows to receive service, and section (c) below clearly prohibits this due to distance. The legislative intent was to protect patrons and employees from the cigarette smoke.

Sec. 18-89. Prohibition of smoking.

(a) Smoking is prohibited in all bars, city operated facilities, recreation facilities, restaurants, amusement places, bed and breakfasts and banquet facilities when employees are present and working at the banquet facility, provided however, that smoking is not prohibited in facilities owned and/or operated by a membership association or under the control of a membership association if such facility is used primarily for its members.

(b) Smoking is prohibited within a distance of ten (10) feet from entrances, operable windows or ventilation systems of buildings or structures where smoking is prohibited in subsection (a). This subsection shall not apply to persons who are actively passing by such entrance, operable window or ventilation system.

(c) Notwithstanding any other provision of this division, an owner, operator, manager, or other person in control of an establishment, facility or outdoor area may thirty (30) days after written notice is given to the city clerk declare that the entire establishment, facility or outdoor area as a nonsmoking place. Smoking shall be prohibited in any place in which a sign conforming to the requirements of this division is posted by an owner, operator, manager, or other person in control of an establishment, facility or outdoor area.

There are many other aspects that could be factors affecting the business climate, some internal such as management philosophy, hours of operation, upkeep of facility, staff, pricing, etc. and there are external factors including infrastructure/construction, weather, changes in employment, TSU and ATSU schedules, job expansion/decline, national economy, etc.

Recommended Action: Review the information and determine what course of action if any you wish to take – continue to evaluate the impact using the data we have provided, evaluate any reports completed through Breathe Easy’s efforts, or contract with someone to contact a comprehensive report independent of the City and any other entity.

DOWNTOWN REDEVELOPMENT

In 1999 the City Council established a downtown tax increment finance district (TIF) for the purpose of generating and allocating funds to be used for public infrastructure to enhance and redevelopment the downtown. At the time of its inception there were several partners who came to the table saying that something needed to be done to improve the downtown and tying these improvements or lack thereof to the future success of their operations. The original partners were the City, County, Kirksville Area Chamber of Commerce, Kirksville Downtown Improvement Committee, AT Still University and Truman State University.

The purpose of our meeting on Monday is to update you on the status of DREAM (downtown revitalization and economic assistance for Missouri), outline the process and proposed Ordinance and documents necessary to establish a Certified Local Government (CLG) and determine if there are any other actions or activities that need to be pursued regarding the canopies aside from the need to cut back those canopies in the block between McPherson and Washington.

To assist the Council, I thought it would be helpful to provide some additional background information on the TIF. The first project completed as part of the TIF was the downtown parking lots associated with the theater project and the Dover Memorial. From there other public projects proceeded, but only as revenues were received. 2001 was the first year; this area had seen an increase in property values when the assessed valuation exceeded the 1989 level.

Public Projects not part of TIF – Law Enforcement Center, Kirksville Police Department, St. Andrews community center, streetscape improvements along Traveler’s Hotel, downtown water line replacements, parking lot north of McPherson- next to Wooden Nickel, Adair County Annex building. *(not a comprehensive list)*

Private Projects – two multi million dollar hospital expansion projects, St. Andrews Sr. Living Campus. Baxter Miller Building renovation, Degenhardt building renovation, Downtown Cinema 8, Woody’s Wooden Nickel Banquet Center, NEMO Dental Clinic, Hidden Treasures Café, Hair Academy, West Port Package Liquor, Chamber of Commerce renovation, Sparks Cleaners renovation, Party Mart. *(not a comprehensive list)*

Included is a staff report from Cherie Bryant, Assistant City Manager outlining additional information on the TIF. The TIF Commission is interested in identifying their next project and has asked staff to get cost estimates to improve the parking lot at Marion and McPherson, and replace the sidewalk from Marion to Franklin on McPherson Street (in front of the Daily, City Hall, Arts Association and Police Department). The Commission has decided not to move forward with any further sidewalk projects affected by the canopies until a decision is made.

Downtown Canopies

Sometime in May, I had sent information out to the City Council regarding the canopies. This information was then posted on the City's website. This information is included in this packet. The Council has expressed differing views and a variety of options concerning the canopies. One of the most recent ideas was to wait for more information from the DREAM process. At this point, we have not received a plan from DREAM on how they might help. The issues they have are the ownership of the canopies. They have suggested that the KDIC take ownership as a not-for-profit organization.

On May 29, an email was sent to the impacted property owners notifying them of the conflict between the canopies and the street sweeper. Information had also been obtained from Beards Decorating on the cost to cut the canopies back, along with pricing for other services. The estimate to cut back the canopies for those remaining properties was \$2,867. The cost for renovations including decorative downspouts and support posts, new facia to the canopies was \$27,585.

Several years ago, the City's street sweeper hit a canopy that extended out farther than the curb and had to repair the structure. The ordinance clearly states that the canopy must be cut back when the width of the sidewalk is changed. I would like to get this issue resolved to eliminate a potential hazard.

Certified Local Government

Last year, the Council learned about the Certified Local Government process which is a recognition program that certifies that we wish to pursue historic preservation and have taken the steps to establish an historic preservation process with standards and guidelines overseen by a Commission.

Codes Administrator Brad Selby has been working on developing the guidelines. A proposed ordinance is included as an enclosure and would be presented to the Council for adoption. Included with this packet is an outline showing the 14 steps needed to become a certified local government. Staff has reviewed the documents, as well as Joann Radetic with the Missouri Department of Natural Resources Historic Preservation and Patrick Hanlon PGAV (DREAM contact). Changes based upon these reviews have been incorporated.

We are hopeful that the Council will be willing to move forward with this process which is not only for the downtown, but really began as a result of the fire at the old Lincoln School. As part of the process we had to identify individuals who are willing to serve on the

Commission, we have done this and included their names for City Council information and support. We are also in need of a City Council representative.

Ultimately what we would have is a Commission that would nominate or recommend properties to the Planning and Zoning Commission and then City Council for historic designation. Construction standards for these designate properties would then have to meet the appropriate standards for a historic structure.

Proposed Commission Members

Phillip Biston
Carol Kellums
Derek Miller
Ken Shook
Cole Woodcox
City Council Representative
Planning and Zoning Commission Representative

Implementing this program will have a financial component including the costs of the initial public hearings and appropriate training for members of the Commission, plaques and markers identifying the designated properties, and informational resources

Brad Selby will walk the City Council through the process.

DREAM

We will take the opportunity this evening to give you an update on the work and progress of the DREAM. Included for your review is a staff memorandum that outlines additional information on the DREAM program.

Recommended Action: 1) Allow staff to move forward with the Certified Local Government Process as outlined, and identify a City Council representative who would serve on the board. 2) Unless otherwise stated, the City Manager will be sending letters out to the property owners in the block between McPherson and Washington that their canopies will need to be cut back within the next 60 days.

NEWSLETTER REVIEW – July 11, 2008

Recommended Action: Identify items of interest that you wish to discuss at the meeting or brought forward to the Council for additional review and discussion.

ATTACHMENTS

Comparison of 1 Cent Sales Tax – pg 7
Comparison of Gross Receipts Tax – pg 8
Cigarette Sales – pg 9
Business Information – pg 10
Staff Memo on Enforcement – pg 11
Staff Memo on TIF – pgs 13-14

Canopy Information – pgs 15-18
Staff Memo on Historic Preservation – pg 19
Certified Local Government Process – pgs 20-21
Fees and Costs – pg 22
Historic Preservation Decisions – pg 23
Staff Memo on DREAM – pgs 24-25

ENCLOSURES

Maryville Breathe Easy Report
Historic Preservation Ordinance

**COMPARISON OF 1-CENT SALES TAX COLLECTIONS
BUSINESSES AFFECTED BY SMOKING BAN
FOR SIX MONTHS ENDED DECEMBER 31
FISCAL YEARS 2002-2007**

<u>Business</u>	<u>3Q-4Q 2002</u>	<u>3Q-4Q 2003</u>	<u>3Q-4Q 2004</u>	<u>3Q-4Q 2005</u>	<u>3Q-4Q 2006</u>	<u>3Q-4Q 2007</u>	Comparative Fiscal Years 2007 to 2006 Inc (Dec)	
A	2,218.55	2,459.65	2,494.50	2,749.81	2,499.17	2,442.01	(57.16)	
B	5,828.48	5,010.35	5,373.40	6,206.85	5,884.92	6,610.31	725.39	
C	704.47	754.70	861.51	944.06	739.16	748.75	9.59	
D	opened 03/06				2,990.98	1,156.24	(1,834.74) Out of business	
E	4,085.73	3,568.51	3,708.45	3,776.99	2,833.68	2,562.41	(271.27)	
F	2,262.47	2,294.96	2,715.38	2,732.06	2,719.00	2,782.81	63.81	
G	2,541.13	2,236.28	2,734.80	3,822.91	3,606.87	4,165.16	558.29	
H	3,398.14	3,597.45	3,969.99	4,163.77	4,149.73	4,797.57	647.84	
I*	226.14	242.84	235.13	254.24	272.67	32.16	(240.51) Sales tax not paid since 08/07	
J	481.39	501.40	495.89	584.52	630.18	515.86	(114.32)	
K	opened 07/03		4,047.98	5,362.32	5,051.52	4,139.27	3,552.24	(587.03) 12/07 sales tax not paid
L	3,036.59	2,710.45	4,285.03	4,269.57	3,882.94	4,059.77	176.83	
M	1,724.81	1,789.65	1,965.24	2,144.00	2,153.87	1,827.03	(326.84)	
N	opened 09/04		389.85	631.43	0.00	0.00	0.00	Sales tax not paid since 10/05
O	opened 03/03		1,117.30	1,263.21	1,505.90	1,361.57	1,387.16	25.59
P*	2,166.59	2,313.31	2,024.36	1,929.50	1,815.98	1,588.03	(227.95)	
Q*	opened 01/06				1,163.68	0.00	(1,163.68) Out of business	
R	new owners 01/03		2,832.01	2,622.12	2,687.46	2,496.36	2,510.91	14.55
S	12,036.29	14,867.19	16,638.86	16,612.42	19,104.77	21,164.66	2,059.89	
T	opened 10/06				259.65	337.35	77.70	
U	opened 01/03		313.57	294.89	269.61	147.11	99.99	(47.12) Out of business
V	opened 10/06					1,329.96	1,329.96	
W	1,736.50	1,587.26	1,669.02	2,091.87	2,922.18	2,985.63	63.45	
X	3,022.21	3,399.05	3,591.68	3,988.44	3,985.21	4,490.53	505.32	
Y	5,158.60	4,845.19	4,632.30	5,606.25	5,708.38	6,001.00	292.62	
Z	5,428.23	5,598.29	6,039.88	5,910.20	5,843.58	5,939.01	95.43	
AA	8,168.89	8,498.09	8,450.77	8,455.52	7,540.89	6,711.47	(829.42)	
AB	opened 05/06				10,584.63	8,291.86	(2,292.77)	
AC*	1,404.93	1,530.56	1,576.18	1,658.58	1,351.44	1,430.59	79.15	
AD	opened 10/05				0.00	1,577.31	1,691.21	113.90
AE	2,915.93	2,726.09	1,434.57	3,360.30	2,800.78	2,845.19	44.41	
AF*	1,011.16	968.56	884.32	1,242.65	1,240.73	925.38	(315.35)	
AG	6,391.87	6,400.27	6,493.58	7,715.28	7,306.00	7,409.83	103.83	
AH	opened 03/07				45.06	1,758.85	1,713.79	
AI	opened 09/05				370.92	796.63	843.31	46.68
AJ	974.84	784.99	1,163.06	918.24	631.96	409.91	(222.05)	
AK*	696.01	722.95	753.77	830.76	805.06	762.03	(43.03)	
AL	1,017.80	919.20	1,069.59	1,231.97	1,318.76	1,536.11	217.35	
AM	3,729.50	3,667.67	3,936.04	4,378.31	3,853.90	3,969.40	115.50	
AN*	2,026.80	1,939.39	2,357.10	2,788.87	2,276.23	2,694.97	418.74	
Total	84,394.05	94,245.16	101,486.79	110,884.78	123,440.29	124,366.66	926.37	
Membership Clubs								
M1	1,064.26	1,206.54	1,343.89	1,084.48	1,076.70	1,200.63	123.93	
M2	499.11	431.34	2,724.18	578.12	785.62	0.00	(785.62) Sales tax not paid since 03/07	
M3	266.83	413.73	346.99	566.28	636.80	1,157.10	520.30	
Total	1,830.20	2,051.61	4,415.06	2,228.88	2,499.12	2,357.73	(141.39)	

**COMPARISON OF GROSS RECEIPTS
BUSINESSES AFFECTED BY SMOKING BAN
FOR SIX MONTHS ENDED DECEMBER 31
FISCAL YEARS 2002-2007**

Business	3Q-4Q	3Q-4Q	3Q-4Q	3Q-4Q	3Q-4Q	3Q-4Q	Comparative Fiscal Years 2007 to 2006 Inc (Dec)	
	2002	2003	2004	2005	2006	2007		
	<u>Sales</u>	<u>Sales</u>	<u>Sales</u>	<u>Sales</u>	<u>Sales</u>	<u>Sales</u>	<u>Inc (Dec)</u>	
A	233,555.00	263,823.00	275,007.00	298,656.00	277,630.00	277,830.00	200.00	
B	594,274.00	511,262.00	546,235.00	633,352.00	618,475.00	674,523.00	56,048.00	
C	77,634.24	78,744.95	87,912.02	95,082.07	75,423.03	76,405.71	982.68	
D	opened 03/06				267,217.61	no report	(267,217.61) Out of business	
E	416,910.29	361,887.38	378,414.50	385,407.75	289,598.97	261,817.22	(27,781.75)	
F	234,653.47	220,547.07	243,655.18	270,968.08	266,527.14	280,648.37	14,121.23	
G	259,299.09	242,879.81	289,603.90	390,092.54	368,047.02	425,017.35	56,970.33	
H	127,023.01	403,517.12	154,969.01	145,712.28	144,826.47	183,852.54	39,026.07	
I*	22,781.13	24,779.01	23,992.32	25,939.20	27,824.85	15,336.35	(12,488.50)	
J	16,500.00	17,000.00	17,500.00	21,000.00	26,000.00	19,000.00	(7,000.00)	
K	opened 07/03		323,649.61	469,763.70	474,277.97	386,365.00	425,795.00	39,430.00
L	310,228.61	324,200.57	436,848.77	434,971.64	463,962.78	413,949.23	(50,013.55)	
M	174,405.38	212,291.55	141,857.17	213,972.07	217,218.39	186,432.85	(30,785.54)	
N	opened 09/04		39,781.00	124,113.00	134,871.00	179,471.00	44,600.00	
O	opened 03/03		112,635.52	126,072.72	150,242.93	138,936.16	157,373.20	18,437.04
P*	237,285.00	252,390.00	220,613.00	208,526.00	192,652.00	176,205.00	(16,447.00)	
Q*	opened 01/06				64,404.29	no report	(64,404.29) Out of business	
R	new owners 01/03		297,392.00	270,823.93	278,901.13	290,730.48	256,373.19	(34,357.29)
S	1,213,098.22	1,517,058.96	1,695,584.91	1,695,146.88	1,949,463.46	2,156,167.60	206,704.14	
T	opened 10/06				6,111.65	34,423.51	28,311.86	
U	opened 01/03		31,996.46	33,472.75	27,512.19	15,009.82	10,653.68	(4,356.14) Out of business
V	opened 10/06				41,396.00	135,709.00	94,313.00	
W	175,836.87	162,036.46	170,306.94	213,456.42	298,182.63	304,656.78	6,474.15	
X	308,386.27	346,843.58	365,707.00	413,264.19	409,355.98	458,042.46	48,686.48	
Y	526,388.29	494,408.27	524,986.24	572,065.81	582,487.71	612,348.29	29,860.58	
Z	555,928.79	572,647.62	619,995.13	606,528.58	595,785.03	608,325.26	12,540.23	
AA	838,799.00	874,876.00	881,730.00	886,257.00	788,147.00	719,073.00	(69,074.00)	
AB	opened 05/06				1,080,065.00	846,107.00	(233,958.00)	
AC*	144,174.00	156,181.00	162,320.00	169,245.00	137,901.00	117,860.00	(20,041.00)	
AD	opened 10/05				98,590.00	161,081.00	177,246.00	16,165.00
AE	297,546.00	280,306.00	313,706.00	347,415.00	287,663.00	293,580.00	5,917.00	
AF*	80,617.86	98,533.08	90,238.58	126,800.34	126,605.20	94,427.93	(32,177.27)	
AG	649,518.74	650,232.99	660,586.95	814,131.73	747,355.71	755,091.52	7,735.81	
AH	opened 03/07					174,759.07	174,759.07	
AI	opened 09/05				37,849.65	81,292.92	86,054.21	4,761.29
AJ	99,474.44	80,099.98	113,679.15	93,697.28	64,487.20	41,826.95	(22,660.25)	
AK*	71,022.90	73,769.12	76,913.78	84,770.83	83,359.25	77,759.83	(5,599.42)	
AL	105,122.00	93,798.28	109,136.00	125,527.63	141,230.47	167,686.54	26,456.07	
AM	271,938.66	374,250.48	401,636.63	446,765.04	329,028.79	405,039.39	76,010.60	
AN*	206,076.35	197,895.84	231,362.57	284,580.47	232,270.51	274,994.57	42,724.06	
Total	8,248,477.61	9,651,933.71	10,174,411.85	11,194,818.70	12,408,989.52	12,561,862.60	152,873.08	

no report: Information not available.

* Denotes a business that expressed concern about the smoking ban impact.

**CIGARETTE SALES WITHIN CITY LIMITS
THIRD and FOURTH QUARTER COMPARISONS**

<u>Supplier</u>	<u>3rd/4th Qtrs 2006</u>	<u>3rd/4th Qtrs 2007</u>	<u>Variance</u>		<u>Info Only 1st/2nd Qtrs 2008</u>
			<u>Positive (\$)</u>	<u>(Negative) %</u>	
Amcon	4,021.50	5,004.00	982.50	24.43%	4,344.50 *
Caseys General Store	2,379.50	2,320.00	(59.50)	-2.50%	2,345.00
Farner Bocken Company	2,723.10	2,942.50	219.40	8.06%	12,774.05 *
Hightower Wholesale	2,452.15	2,599.00	146.85	5.99%	2,572.70 *
Hy-Yee	5,433.00	5,676.00	243.00	4.47%	4,460.00 *
Kreteck International	35.15	4.50	(30.65)	-87.20%	15.75 *
Majestic Tobacco Distributors	737.50	791.00	53.50	7.25%	813.00 *
McLane Minnesota	15,852.00	17,359.00	1,507.00	9.51%	14,027.50 *
St. Joseph Tobacco	13,679.16	11,185.32	(2,493.84)	-18.23%	0.00 **
Total	47,313.06	47,881.32	568.26	1.20%	41,352.50

* Only five months of information available.

** No longer a vendor.

Number of Non-Private Establishments Affected by Smoking Ban

	<u>Jan-07</u>	<u>Jul-07</u>	<u>Jan-08</u>	<u>Jul-08</u>
Restaurants	19	20	21	21
Bars	5	5	4	5
Restaurant/Bars	17	17	15	16
Amusement	2	2	2	1
Total	43	44	42	43

As of January 2008, 2 restaurant/bars and 1 bar had closed; 1 new restaurant opened.
 As of July 2008, 1 restaurant opened and 1 closed; 1 bar and 1 restaurant/bar pending opening.
 Amusement business moved out of the city limits effective July 2008.

Annual Renewals of Liquor Licenses
 By Category for Businesses Affected by Smoking Ban

	<u>Jul-06</u>	<u>Jul-07</u>	<u>Jul-08</u>
Intoxicating Liquor by the Drink	20	18	16
Restaurant Bar (Sunday Sales)	10	6	8
Amusement Bar (Sunday Sales)	2	1	1
Sale of Malt Beverage not to Exceed 5% by the Drink	4	4	5
Total	36	29	30

KIRKSVILLE CITY COUNCIL STUDY SESSION ATTACHMENT

SUBJECT: Smoking Enforcement Issues (Police)

STUDY SESSION MEETING DATE: July 14, 2008

CITY DEPARTMENT: Police

PREPARED BY: Chief Jim Hughes

The smoking ordinance/enforcement has been a non issue for the police department. In the first year of implementation the department responded to approximately ten calls related to the smoking ordinance. Out of that, only one resorted in any form of enforcement action. Compliance with education/warning efforts has been excellent.

The one enforcement incident referenced above occurred on March 22, 2008 at approximately 2:26 a.m. Kirksville Officers, along with State Liquor Control, were involved in an investigation at the Full Moon Bar (816 W. Northtown Road). As a result of that investigation the Kirksville Police Department issued the owner a summons/ticket for violation of the City's smoking ordinance. Liquor control reportedly took independent action on other unrelated charge(s).

Although there was probable cause for the issuance of the City summons, the case was not airtight. As a result, since this law was fairly new, and the development of case law/guidance was important, the City Attorney elected to not pursue charges.



Enforcement Calls For Service Bars

	<u>2003-2004</u>	<u>2004-2005</u>	<u>2005-2006</u>	<u>2006-2007</u>	<u>2007-2008</u>
Bar #1	18	16	44	9	1
Bar #2	30	38	22	24	39
Bar #3	41	17	7	1	NA
Bar #4	21	18	16	7	27
Bar #5	1	5	8	3	2
Bar #6	15	5	11	7	23
Bar #7	83	86	88	52	26
Bar #8	17	15	10	22	22
Bar #9	40	29	24	21	24
Totals	266	229	230	146	164

KIRKSVILLE CITY COUNCIL STUDY SESSION ATTACHMENT

SUBJECT: TIF Update

STUDY SESSION MEETING DATE: July 14, 2008

CITY DEPARTMENT: Economic and Community Development

PREPARED BY: Cherie Bryant, Assistant to the City Manager

TIF Update

The Downtown Tax Increment Financing (TIF) Plan was created as a mechanism to fund the implementation of the Kirksville Downtown Improvement Plan. The Downtown Plan was completed in 1999 after much public input was sought and incorporated, along with City staff recommendations. The plan looks at the assets and issues in Kirksville's Downtown and makes recommendations for improvements for future development.

In order to fund the projects outlined in the Downtown Plan, the TIF enables the City to use revenues generated from Payments in Lieu of Taxes (PILOTs) resulting from increased assessed valuation on new development (property taxes); as well as Economic Activity Taxes (EATs) resulting from increased economic activities (sales taxes) in the TIF area for projects. TIF funds can only be used for public infrastructure improvements in the TIF area. The idea is that the completion of public improvements will encourage private investment by property owners as well as drawing new developers to the area. These improvements will generate additional sales in the area resulting in additional sales tax revenue, as well as increased overall property value, resulting in additional property tax collection.

The TIF Commission was established by City ordinance in September 1999 and the TIF Plan was adopted in December 1999. The Downtown TIF is a 23 year project and will expire in 2022.

A group representing entities interested furthering the downtown, the Downtown Partners, meets to look at the overall needs of the downtown and to prioritize those needs. This group is unique to Kirksville and not something that is required by the TIF plan, but rather something that seems to work well to keep those interested in improving the downtown informed and communicating. The Downtown Partners are representatives from the City of Kirksville, A.T. Still University, Truman State University, Adair County Commission, Kirksville Area Chamber of Commerce, and the Kirksville Downtown Improvement Committee.

The following list includes TIF Projects that have been completed, ongoing and/or active:

- Missouri/ Main Street Parking lot – 1999
- Elson Street Parking lot – 1999
- Dover Memorial - 1999

Degenhardt streetscape project Washington and Main Street
Court House Parking Lot Beautification: Completed in 2003
Court House Sidewalks: Completed in 2003
Downtown Corners: Completed in 2007
Downtown Streetscape/Awning Improvements: Active
Franklin Street Pedestrian Project: Active
Jefferson Street Design and Reconstruction: Active
Wayfinding/Downtown Markers: Active/Ongoing

On June 20, 2008 the TIF Commission met to discuss the status of the Downtown Projects. They recommended upgrading the parking lot located at the corner of Marion Street and McPherson Street. The upgrade would include a buffer zone three to five feet from the sidewalk to the parking lot. It would include a brick masonry, wood or iron fence wall parallel to the sidewalk three feet six inches in height. The Commission also recommended upgrading the sidewalk from the Marion Street/McPherson Street corner west to Franklin Street.

Five benches have been ordered from Victor Stanley, Inc. for the Franklin Street Pedestrian Project. The benches will be placed south of Washington Street. A couple of downtown business owners requested planters to be placed in front of their store front. The Board decided against purchasing the planters until they could decide on who would be responsible for maintaining them.



Background Information Regarding Downtown Canopies

The City applied for a grant with the Missouri Department of Transportation to install a new sidewalk and bike path along the east side of Franklin from Normal to Washington Street. Part of the project stated that the City would pay to remove the canopies along that portion of the project that ran from McPherson to Washington. This included the Kirksville Arts Association to the Adair County Title and Escrow Company. Conversations were had at various times with the different property owners, but there were no formal discussions with the group until after the canopy issue came out.

The City Council discussed the Franklin Street Project on March 14 2007 (*See Study Session Packet*). At this time, there had been no discussions regarding what to do with the canopies surrounding the square.

A letter had been sent to the property owners in the block just north of City Hall (*See letter in Canopy Information*). Staff met with the property owners to discuss the Franklin Street Project and what improvements if any they would want to make to the canopies. The Kirksville Arts Association was aware of the project and had already begun to make plans for their store front renovations. This organization was interested in having their canopy removed. The remaining property owners, as a group, decided that they did not want to remove the canopies. This was communicated back to the City Council.

There had been discussions amongst the downtown business owners and the Kirksville Downtown Improvement Committee (KDIC) dating back to 2004 about the removal of the canopies. Timing is everything and as the City was talking to the property owners in the block between McPherson and Washington, the KDIC decided to form a committee. This committee began meeting in May of 2007 and by July had met twice to discuss the future of the canopies. Business owners who were not interested in the direction and discussion taking place at these KDIC meetings sent an independent letter to the City Council stating their opposition to the proposed removal of the canopies (*See letter in Canopy Information*).

By this time, the City Council was asked if they wanted to discuss the matter further (*See Newsletter excerpt found in Canopy Information*). The Council met in Study Session on August 28 to hear information on Certified Local Government (historic preservation program) and to discuss the canopies (*See August 28 Study Session Packet*). The Council discussed the condition of the canopies and directed staff to have an evaluation done on the condition of the canopies. Staff completed an evaluation of what we could evaluate and requested that a structural engineer be hired. An engineer out of Columbia was hired who completed an independent report outlining his findings and noting areas of major concerns and other maintenance issues that would need to be resolved. The engineer stated that without removing the canopies from the buildings it would not be possible to determine the full extent of the condition of the canopies and therefore the evaluation was not complete. A copy of the report was forwarded to the City Council and the KDIC (*See Study Session Packet from December 18, 2007*). The KDIC, in turn, sent this document out to their email list.

Letters were then sent to the businesses inviting them to a meeting on December 11. However on this date, the community experienced a bad snow storm, County offices and other operations closed for the day. The Council decided to reschedule the meeting to make sure that people had an opportunity to attend. The meeting was rescheduled for the following week. The City extended invitations through local media and the KDIC email list. Only one individual attended this meeting.

From this meeting on December 18, the Council directed staff to address those areas of greatest concern with the property owners. The Council also decided to establish a canopy committee. The Committee was formed with individuals representing both sides of the issue, those who wanted to retain the canopies and those who wanted them removed. The Committee also included members of the KDIC and City Council. The recommendations of the Committee were presented on February 26 which in essence stated that the Committee after reviewing the information was recommending the removal of the canopies. Business operators who were in attendance voiced their objections to this recommendation (*See February 26 Study Session Packet*).

At the conclusion of this meeting, the City Council did not reach a consensus on a course of action and decided to hold off on any further discussions on the canopies until a later date.

The City Manager in an effort to move the decision process forward chose to meet with the property owners in the block between McPherson and Washington to determine if a plan developed and an agreement reached.

The Manager offered the property owners a proposal that would require an amendment to the TIF Plan, but would allocate funds to be used to renovate the store fronts including improvements to the façades, removal of the canopies and replacement with awnings. This would all be contingent upon approval of the TIF Commission and City Council, but the Manager stated a willingness to go forward and recommend the changes to both groups. The property owners remained constant in their earlier decision to retain a canopy structure that would extend over the entire sidewalk. The Manager explained that the current canopies are tied into the City's sidewalks and the preference of the City would be to remove the canopy supports from the sidewalk and have the property owner attach them to their individual buildings. The property owners wanted to keep the supports on City right-of-way and expressed concern about the canopies actually being supported by the buildings.

The Manager summarized what the owners were wanting, which was to retain the current canopies or allow for the purchase of new canopies. The property owners were willing to invest that amount of money that would repair their existing canopies. The property owners were interested in the City pursuing TIF funds to pay for façade improvements. The property owners were not opposed to the City renovating existing canopies to improve their appearance. In individual meetings with Martha and Aaron both expressed a concern over the lack of compromise by the property owners (*See Canopy Meeting*).

The Council then met with the City Attorney to find out the legal ramifications – since the Council had been told by two different attorneys that they would be sued if they tried to take action to have the canopies removed. Howard informed the Council that the ordinance allowing the canopies was really a license and could be revoked. He stated that the Council could repeal the ordinance. He noted that the City could be sued and one of the tests would be how much life the canopies had left. Since they had been up for over 30 years and little to no maintenance done on them, this argument would probably not warrant much. He stated that the Council could repeal the ordinance and force the property owners to remove them, but would not be able to remove them on their own. The Council decided to wait and see what DREAM would do.

The TIF Commission then met and voted to recommend that the canopies be removed from the City's right-of-way.

The City has completed much of the sidewalk renovation project on Franklin Street. The canopy in front of the Arts Association has been removed at the Association's request.

A quote was received from Beard's on 1) the cost to install new canopies; 2) cut the existing canopies back and repair known damage; 3) install decorative support posts to improve the overall appearance. There was no quote for additional repairs that may be necessary but are currently not visible.

When the canopies were installed 30 years ago, the City anticipated that there might be changes in the width of the sidewalks and passed an Ordinance that stated

In the event the city should find it necessary to reduce the width of the sidewalk in the future for the general safety of the public and a smoother flow of traffic on the adjacent street thereto, then the roof overhang of the canopies so erected shall be required to be shortened, to extend only to the curb, and the upright supports relocated two (2) feet from the curb, at no expense or cost to the city.

Before we required any expense on the part of the property owners in that block of street between McPherson and Washington to cut back their canopies, staff wanted to determine whether or not the canopies were going to extend out to a point to disrupt city operations. The concern was over access to the parking area by the street sweeper. The City took possession of a new street sweeper the third week of May and tested in that block. We were not able to sweep the parking area due to the location of the canopies. Therefore, the canopies, at a minimum, are going to have to be cutback.

City staff has assembled this information and will make a recommendation to the City Council at a study session to be held on July 14.

Beards Glass & Metal

120 East Washington
Kirksville, MO 63501
660-665-1928
Fax: 660-665-4531
beardsglass@cableone.net
5/22/08

City Of Kirksville
C/o Brad Selby

Estimate

WE PROPOSE TO FURNISH AND INSTALL MATERIALS PER SPECIFICATIONS BELOW

- Canopy Replacement –
- Mason Corporation Canopy System
- Flat Pan 8" Pan Roof w/.050 Full Perimeter Fascia/Gutter
- 7" Aluminum I Beams
- 3" SQ x 10" Steel Posts w Top & Bottom Brackets
- 6" Round Fluted Aluminum Decorative Column w/ Cap & base
- 2" x 3" Complete Downspouts

	Canopy's	#2Cut Down	#3Historic Post	Downspouts	Fasica
Installed – Adair County Title & Escrow-	\$21,534.00	\$1,114.00	\$5,100.00	\$2289.00	\$3,200.00
Pages of Looks-----	\$4670.00	\$250.00	\$1,150.00	\$509.00	\$736.00
Russell Sports-----	\$4,612.00	\$250.00	\$1,150.00	\$509.00	\$736.00
Lovekamp Attorney @ Law--	\$6,068.00	\$306.00	\$1700.00	\$762.00	\$966.00
111 South Franklin-----	\$10,631.00	\$612.00	\$2,262.00	\$1,017.00	\$1978.00
Pickell Abstract-----	\$6,114.00	\$335.00	\$1700.00	\$763.00	\$1,058.00

#1- Quote Repair as needed only where conditions demand.
#4 see #1
Canopies pricing is to have Stand Along pricing.

THIS PROPOSAL IS SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS

1. Work will be executed as promptly as possible if contract is awarded us, subject to delays occasioned by strike, lockouts, fire, carriers, and other causes beyond our control.
2. Correction of clerical errors prior to acceptance.
3. Subject to revision if not accepted within 15 days after DATE.
4. This proposal is based on all work being performed during regular working hours. Extra charge will be made for all overtime work.

TERMS: 50% payment with order -Balance in full after completion of our contract.

SPECIAL TERMS:

We solicit your early acceptance of this proposal in which event we promise to give the work our most careful attention.

Accepted _____

yours very truly,

Date / / 2008

by: Ed Ross
Vice President

KIRKSVILLE CITY COUNCIL STUDY SESSION ATTACHMENT

SUBJECT: Kirksville Historic Preservation Commission and Ordinance

STUDY SESSION MEETING DATE: July 21, 2008

CITY DEPARTMENT: Codes

PREPARED BY: Brad Selby

The city staff is now prepared to move forward on the forming of a Commission for a proposed Kirksville Historic Preservation Commission (KHPC).

We are asking the City Council to provide a verbal “go-ahead” with this project, to identify and recognize Kirksville’s Historic Landmarks and possible Historic Districts. Eventual adoption of an ordinance would create a Commission of 7 people, who would nominate or recommend properties to the Planning & Zoning Commission for designation as “Historic”, and if approved, the P&Z would then forward their recommendation on to the City Council for final approval. The KHPC would set standards for the repair or improvements of historic properties, and would approve owners or contractors plans for those improvements. A remodeling or building permit could not be obtained for one of these properties until the KHPC issued a Certificate of Appropriateness. There are several key decisions that a newly formed Commission would need to make, after being formed. These decisions are attached separately.

We have 5 people from the community who have consented to serve on a Kirksville Historic Preservation Commission if adopted by the council. They are: Phillip Biston, Carol Kellums, Derek Miller, Ken Shook, and Cole Woodcox. The City Council and Planning and Zoning Commission would be asked to have one member from each to be on the KHPC. Glen Novinger, from the Planning and Zoning Commission, has agreed to also serve on the KHPC.

This project is not without costs. Several public hearings will need to be held to enact a new ordinance involving zoning changes. All KHPC members must attend at least one educational meeting per year. The City would pay for those expenses. Plaques and markers would be needed for designation and uniformity. Pamphlets and public information, walking tour guides, brochures, etc., are anticipated. A list of these possible fees is attached separately.

If the council approves of the project tonight, our next step is to meet with the commission, determine the final points of a proposed ordinance, the terms of office, training, etc. Once the final ordinance is determined, it will be reviewed with the council in study session, so the council will be aware of its requirements, and then the first public hearing would take place before the Planning and Zoning Commission. The State Historic Preservation Office has already approved our tentative ordinance. A list of the following steps is attached separately.

Certified Local Government

Kirksville Historic Preservation Commission

The Process to become a CLG and found a KHPC is:

- 1. Write a tentative city ordinance,**
- 2. Talk to several citizens about their interest in being a member of the Commission.**
Several have agreed: **Cole Woodcox, Historian**
 Derek Miller, Contractor
 Ken Shook, Architect
 Carol Kellums, KTVO General Mgr.
 Phillip Biston, Downtown Business Owner
- 3. Make a presentation to the city council in a study session to gauge interest and receive a “go forward” approval from the council.**
- 4. Hold first meeting with the tentative commission, with the goal of:**
 - a. determining the final points and terms of the proposed city ordinance**
 - b. lay out terms of office of the commission and duties, responsibilities, meetings, training requirements, etc.**
- 5. Hold another study session with city council to:**
 - a. Present the final draft of the proposed city ordinance**
 - b. Present the list of persons recommended for serving on the KHPC**
- 6. Once council approves the proposed ordinance, it is sent to the State Historic Preservation Commission, to ensure it will be in compliance with minimum state and federal guidelines. (The State SHPO wants to review any ordinance *before* it is adopted, to be sure it will meet their guidelines.**
- 7. If SHPO approves of proposed ordinance, a public hearing is held before the Planning and Zoning Commission because:**
 - a. the ordinance involves the addition of a new zoning district “H”.**
 - b. the nominations for any property to be designated “H” must go before the P&Z, as well as other issues.**
- 8. Proposed ordinance is then presented at a Public Hearing (#2) before the City Council, to adopt the ordinance.**
 - a. If ordinance is adopted, the mayor appoints people to the Kirksville Historic Preservation Commission.**

- 9. The KHPC, now legally formed, does a survey in the city to identify any properties or districts that could be considered historic and meet the criteria identified. Probably would be an open meeting called to get input from the public on tentative properties that they feel should be included as “historic”.**
- 10. Once the KHPC boiled the list of properties down to the ones they feel should be identified as “historic”, certified letters are sent out to the property owners and Public Hearing (#3) is scheduled to get public comments**
- 11. After hearing public comments, the KHPC makes any necessary changes to the list of properties and forwards on to the Planning & Zoning Commission for their Public Hearing (#4) on whether to accept the properties, and if so, the property’s zoning is changed to “H”.**
- 12. This list of properties now recommended to be zoned “H” is now forwarded to the City Council for their Public Hearing (#5) for determination of whether the list of “H” properties should be approved, or some deleted, etc.**
- 13. Once a list of properties is passed by the Council, we then would make formal application to the SHPO for membership in the state organization. We would forward to them:**
 - a. Copy of our approved ordinance**
 - b. A letter from the Mayor assuring that the city will comply with all requirements of the state and federal guidelines.**
 - c. Resumes for each KHPC member stating their interest or expertise.**
 - d. A copy of our local “plan” or survey and the properties we have elected to designate as Historic and reasons/pictures/protection activity, etc., for each property.**
 - e. Resumes for city staff who are assigned to the commission.**
- 14. Continuing actions of the KHPC would then include:**
 - a. Approval/action on newly nominated properties for “H” designation.**
 - b. Approvals/disapprovals on remodeling or additions on properties already designated as “H”.**

Fees and Costs Associated with KHPC

- 1. Costs of 5 public hearings approximately \$750.**
- 2. All members required to attend at least one educational meeting or seminar each year – City would pay for the member’s expenses. Est. \$700/year**
- 3. Plaques and markers for properties so designated
Est. \$ 400 – prob. 2nd year**
- 4. Brochures or pamphlets showing historic buildings locations in the city, walking tour guides, etc.
Est. \$150 – 1st or 2nd year**
- 5. Owners certificates of ownership of “H” properties.
Est. \$30**
- 6. Certified mailings to land owners within 185 feet of property that is planned for rezoning – Could this be a city responsibility? Possibly.**

Key Decisions for the KHPC

- 1. Will KHPC properties be voluntarily nominated by the owners, or will designations be mandatory after being nominated and approved.**
- 2. IF – mandatory designations are the choice, who pays for the notification of property owners for rezoning (certified mailings after abstract company identifies owners)**
- 3. Historic Districts that are nominated by someone to be an “H” designated district must be voted in by a majority of the property owners in the designated area. Will this majority be 51%, 60%, 66%, 75%?**
- 4. The proposed ordinance states that members of the KHPC must be residents of the city OR the surrounding community. Some ordinances state residents of the city ONLY. Does the Commission/Council agree or want to change?**
- 5. After initial public hearings and nominations of properties, I assume property owners would pay for public hearing notices? Needs to be put into the ordinance.**
- 6. Needs to set fees for:
 - 1. Nominations**
 - 2. Certificates of Appropriateness****

KIRKSVILLE CITY COUNCIL STUDY SESSION ATTACHMENT

SUBJECT: DREAM Update

STUDY SESSION MEETING DATE: July 14, 2008

CITY DEPARTMENT: Economic and Community Development

PREPARED BY: Cherie Bryant, Assistant to the City Manager

DREAM Update

In 2006, Governor Blunt authorized a new program geared toward assisting communities revitalize their downtowns. This program, the DREAM (Downtown Revitalization and Economic Assistance for Missouri) Initiative, provides selected communities with preferential access to a comprehensive package of programs and services from the three participating agencies (Missouri Department of Economic Development, Missouri Development Finance Board, and the Missouri Housing Development Commission). These programs can help address a multitude of needs including: infrastructure improvements, historic preservation, affordable housing, community services, business development, and job creation.

In 2007, Governor Blunt made the announcement that Kirksville had been chosen to be a DREAM Community. Nine other cities that were chosen were Aurora, Caruthersville, Clinton, Maryville, Mexico, Poplar Bluff, Sikeston and Trenton.

PGAV Urban Consulting, contracting firm who will be implementing the DREAM Initiative, sent us a Kirksville DREAM Schedule. In 2008, the following tasks are to be complete: 1-Organizational Structure Review; 2-Land Use, Building and Infrastructure Survey; 3-Community and Consumer Survey. In 2009, the following tasks are to be complete: 4-Retail Market Analysis; 5-Housing Market Analysis; 6-Financial Assistance Review; 7-Building and Streetscape Revitalization Program; 8-Marketing Plan. In 2010, the following tasks are to be complete: 9-Downtown Strategic Plan; 10-Communications Plan.

On June 10, 2008, Patrick Hanlon, Senior Project Manager from PGAV Urban Consulting sent the City of Kirksville a 1st DRAFT of the Map Reference Handbook, as part of the Land, Use, Building and Infrastructure Survey. Craig Dawson, Assistant to the City Engineer and Pam Kelrick, GIS Coordinator/Planner made the appropriate corrections in the Map Reference Handbook and then returned it to Mr. Hanlon for consideration.

On June 19, 2008, Rachel Davis, Project Specialist from the Missouri Housing Development Commission (MHDC) sent the City of Kirksville a Notice of Funding Available of \$3M for the Home Repair Opportunity (HeRO) Program specifically for DREAM communities. The HeRO Program is designed to help owner-occupied, low to moderate income Missourians who earn less than 80% of the area median income bring their homes to code by offering up to \$20,000 in repairs. In DREAM communities, the homeowners have to be located in the DREAM-designated area, the corridors leading to downtown, or

neighborhoods adjacent to the downtown. We plan to meet with the NEMO Community Action Agency for further development.

The Missouri Arts Council (MAC) is supporting DREAM communities by offering two grant opportunities, DREAM ABC grant and DREAM Challenge grant. The Kirksville Arts Association is considering applying for the grant(s).

The DREAM Visitor Survey, component of the Community and Consumer Survey, has been designed by PGAV Urban Consulting. The survey is aimed at gaining input about the downtown from non-residents who shop, conduct business, or attend community events in the downtown. The survey will be conducted at different events throughout the summer.