



June 8, 2007

TO: Mayor and City Council

FROM: Mari E. Macomber, City Manager *MEM*

SUBJECT: Study Session – **June 12, 2007**

The City Council will convene in Study Session on **Tuesday, June 12, 2007 at 5:30 p.m.** in the Second Floor Conference Room.

The following are the agenda items for the Study Session.

1. **KIRK TRAN UPDATE**
2. **GARDNER CARLSEN PRESENTATION**
3. **CONVENTION CENTER REPORT**
4. **REVIEW NEWSLETTER – June 8, 2007**

1. KIRK TRAN UPDATE

Kirk Tran is the public transportation system for the City of Kirksville. As such, the Kirk Tran Advisory Board continually works to make the system available to as many Kirksville residents as possible. This past year that meant implementing a fixed route system in addition to the traditional demand-response system that had been operating since Kirk Tran's inception.

The demand-response service is one that is initiated by someone needing a ride calling the dispatch office. They schedule a ride (or multiple rides) for a specific date and time and let the dispatcher know where they need to be picked up, where they need to be dropped off, and when they need to be returned. This system was well utilized, but with limited time slots available, riders were having to be turned down for rides, or re-directed to other times slots.

In response to this need, the Board began developing plans for a fixed route. On the fixed route there are established bus stops with Kirk Tran signs where riders wait to be picked up at designated times each hour. A rider pays \$2 each time they board the bus and can get from several housing locations (Kirksville Gardens, Village 76, Truman

State University, Kirksville Heights, etc.) to several shopping, dining, and medical locations (Wal-Mart, Hy-Vee, Ponderosa, Health Department, etc.). During the time we have been running the fixed route, we have made some minor modifications to the route to try to accommodate more riders. While the overall number of riders is low, according to OATS, the route is more successful than they have seen in other comparable communities. This route is currently being evaluated to compare the number of riders accommodated vs. the cost of the service. The Board must determine if there is a way to accommodate these riders better with an expanded demand-response service, or if a fixed route should be continued.

Since the initial grant funding for Kirk Tran ended, the board has looked for ways to keep the system operating and meeting the needs of our community. One way Kirk Tran helps to fund itself is by the advertising sold and placed on the busses. (See attached) Board members approach local businesses and organizations and sell ads from \$500 - \$3000. The ads are good for one year, at which time the board will contact the business to see if they would like to renew.

Another way the system is sustained is through additional grant opportunities. Kirk Tran was successful in getting a \$6,414 local grant from the Surbeck Trust just over a year ago. Kirk Tran also submitted a proposal to the SB40 Board and last year was granted over \$11,500 from that group to help establish the fixed route in Kirksville. The City of Kirksville contributes \$15,000 to Kirk Tran annually and the Kirksville Regional Center contributes \$10,000. The major contributor to the system is the State of Missouri with grants received through OATS.

Each year the City of Kirksville contracts with OATS to provide the Kirk Tran service. The contract will come before the City Council for approval at the June 19th meeting. This contract will outline the hourly cost for the busses to run the Kirk Tran routes, which for the 2007-08 contract will be \$25.00 per hour. This rate is based on an average gas price of \$3.009 per gallon; for every \$.50 increase or decrease in the cost of gasoline, the hourly rate will be increased or decreased by \$1.00. OATS is also making \$100,000 in Section 5311 funding available for this project. This funding is provided by the Missouri Department of Transportation. This contract is very similar to our existing agreement with OATS and has been reviewed and discussed by the Kirk Tran Advisory Board.

Members of the Kirk Tran Board have been invited to attend the Study Session to provide an update to the City Council on the success and need of the program and to respond to questions.

RECOMMENDATION: Kirk Tran has served the community well for several years now. It provides transportation service for employment, medical and other purposes. With the support received by the Missouri Department of Transportation, the program is made much more affordable for a community of our size. I encourage City Council members to ask questions of the Board representatives and to support the contract renewal later this month.

2. GARDNER CARLSON PRESENTATION

Carlson Gardner is a corporation based in Springfield, Missouri, that was formed to develop single family and multi-family properties across the state, with an emphasis on providing high quality affordable housing for all sectors of the population. The Corporation's principals are Thomas Carlson and Mark Gardner. Both have extensive experience in the real estate business in Missouri, having built, owned, developed, or participated in the development of several subdivisions, single family residences, and multi-family housing units, over 300 condominium units, and over \$50,000,000 in commercial property.

Denise Ogan with DKO Consulting and Tim Wilson with Stark Wilson Duncan Architects will be at the Study Session representing Carlson Gardner, and will make a presentation to the Council about a project they are working on in Kirksville. Carlson Gardner currently has a contract on the Traveler's Hotel property. Their intent is to make application to the State of Missouri for Housing Tax Credits as well as Historic Tax Credits to assist in funding a complete remodel of the building. Their tentative plans include leaving the exterior of the building mostly as it is to preserve the historic architecture, but improving the look by painting, replacing windows, etc. The interior of the building will be completely redone into about 30 units, some 2 bedroom and some 1 bedroom. The building will have all new systems, including electrical, plumbing, and HVAC.

As they move forward with their application to the State, they need to be sure that they have the City's support for this project. They will make a brief presentation to the Council and will then be available to answer any questions you might have.

RECOMMENDATION: The use of the Travelers Hotel was discussed as a possible anchor hotel for a convention center. Having someone take ownership of the building, who has a plan and will be required to demonstrate to the State of Missouri the merit of their plan, should be viewed as a benefit, as opposed to sitting vacant. I would encourage the City Council to actively participate in the presentation making sure that your questions are answered. I would also request that the City Council consider requiring improved landscaping and streetscape work be completed around a proposed parking lot for this project.

3. CONVENTION CENTER REPORT

One of the study session topics identified during the City Council retreat last year was a Convention Center/Sports Complex. The item was on a February 2007 Study Session Agenda, but there was concern that discussing a convention center at the same time we were publicizing the renewal of the capital improvement sales tax issue would be confusing and possibly hurt the sales tax issue, so the item was tabled to a future

meeting. The City Council at that time was interested in determining whether the Chamber of Commerce or Truman State University would be interested in partnering to develop a convention/conference center. The Chamber of Commerce has begun receiving monies from the lodging tax and will be employing someone, whose job it will be to promote Kirksville and bring in trade shows and conferences. Truman State University has been given an opportunity to update Pershing Building, which houses many of their athletic facilities, through an allocation of funds from the State.

Initial conversations with both entities showed some interest in pursuing the idea further, but no formal commitments of support were made. The Chamber of Commerce has remodeled their existing building to add more space and would not be seeking a new building soon. However, they have stated an interest in needing more meeting rooms to accommodate travelers to Kirksville. Truman State University has just recently gotten word on the funding of the Pershing Building and also just recently hired a new campus planner. Both of these items have somewhat stalled their efforts.

Within the past 6 months there have been some discussions about possibly using the Traveler's Hotel as an anchor hotel for a convention center in Downtown. However, that hotel is currently under contract to be remodeled into another use. The group working on that project will be presenting their plans at tonight's meeting so the Council can determine how that plays into this discussion.

A convention center would serve as a site to locate small conventions. These would be meetings of less than 600 people. The Chamber of Commerce, with their new tourism person, would be looking at attracting these size events and would try to obtain at least two events each month. The Sports Complex would serve to provide indoor facilities to community residents for tennis, soccer, and other sports.

Funding of a Convention Center could be estimated at \$10 to \$15 million. The cost of a sports complex will vary depending on the size of the facility and the amenities. One idea for the Convention Center (in the Downtown) would be to determine its eligibility under TIF, then request the Commission to support an amendment and then ask the Council to support a change in this plan to use a significant amount of TIF money to construct the Convention Center. Other funding options for both would be property tax assessment or a special sales tax.

Staff has done some preliminary research on this topic. We have some general information from other communities. We need to make sure that if we pursue one or both of these ideas that we get community support.

Questions that you may want staff to pursue: Purpose, uses of the facility/facilities, possible partners, information from other communities, who should take the lead, funding ideas.

RECOMMENDATION: The City Council is being asked to discuss the ideas of developing separate facilities to provide a convention center space and a sports

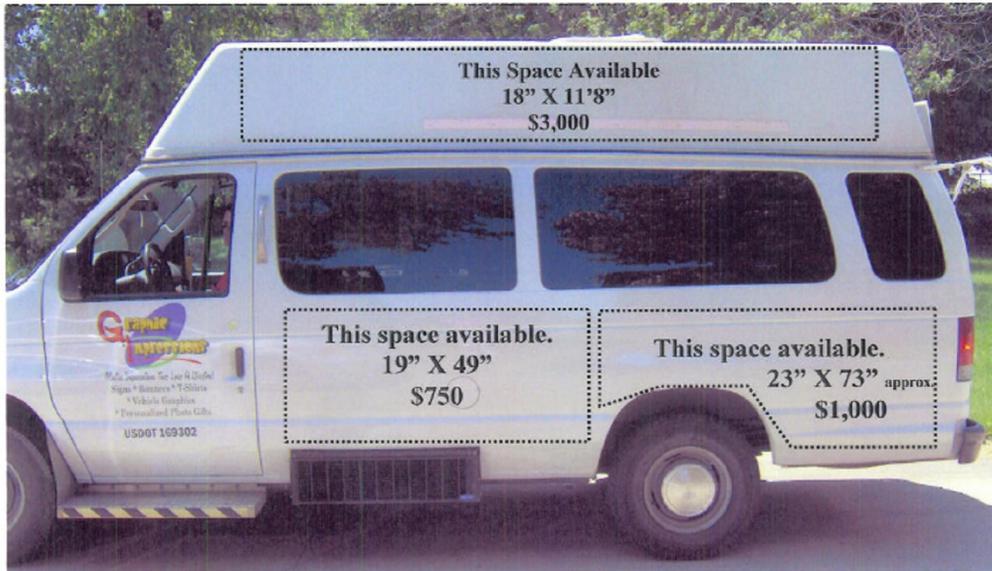
complex. I would ask that you provide clear direction to staff on information that is needed to help answer questions that may exist.

4. REVIEW NEWSLETTER – June 8, 2007

Attachments

Kirk Tran Advertising – pgs – 6 - 7

Bus 1 - Side 1



Bus 1 - Side 2



Bus 2 - Side 1



Bus 2 - Side 2

