



St. Joseph Downtown Vision

Presented to:

The City of St. Joseph, Missouri

April 2010

April 15, 2010

Clint Thompson
Director of Planning and Community Development
1100 Frederick Avenue
Room 102
St. Joseph, MO 64501

Dear Mr. Thompson:

The City of St. Joseph has engaged Hunden Strategic Partners, (HSP), to conduct additional research related to downtown development, specifically proposing a unified development vision for downtown as well as an analysis of funding mechanism to fund the vision. The attached is our report with revisions and information as of October 2009.

We have enjoyed serving you on this engagement and look forward to providing you with continuing service.

Sincerely yours,

Hunden Strategic Partners

Attachment

ASSUMPTIONS AND LIMITING CONDITIONS

This report has been prepared under the following general assumptions and limiting conditions:

- The findings presented herein reflect analysis of primary and secondary sources of information. HSP utilized sources deemed to be reliable but cannot guarantee their accuracy.
- No responsibility is taken for changes in market conditions and no obligation is assumed to revise this report to reflect events or conditions, which occur after the date of this report.
- Responsible ownership, competent property management, and professional marketing are assumed.
- Terrorist activity or other major calamity affecting travel, the economy and tourism is assumed not to occur.
- This report has been made only for the purposes stated and shall not be used for any other purpose.

Company Description

Hunden Strategic Partners is a full-service real estate development advisory practice specializing in destination assets. With professionals in Chicago, Minneapolis & Indiana, HSP provides a variety of services for all stages of destination development, in the following primary areas:

- Market and Financial Studies, including Feasibility & Valuation
 - Hotels
 - Convention and Conference Centers
 - Sports & Recreational Facilities
 - Entertainment/Retail Districts, Mixed-use Developments
 - Resorts
 - Arts, Cultural & Entertainment Facilities
- Master Strategy and Planning Development
- Owner's Representation and RFP Process Management
- Public Incentive Analysis
- Economic and Fiscal Impact Analysis
- Economic and Tourism Development Legislation Consulting
- Organizational Audits and Best Practices

Hunden Strategic Partners (HSP) professionals have provided all of the above

hunden strategic partners *destination development consulting*

services for hundreds of client projects worldwide for the public and private sectors. Beyond consulting, HSP professionals have experience in municipal and state government, economic development, and non-profit management.

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EXECUTIVE SUMMARY

The City of St. Joseph retained Hunden Strategic Partners (HSP), with assistance from PGAV, to provide a downtown redevelopment vision for the city that is built on stakeholder consensus. The goal is a document that pulls all of the studies completed to date into an actual physical plan and incorporates the cost (both public and private) for achieving this vision. In addition, given the tools available to St. Joseph, a model was created quantifying the public support required to achieve this mission.

The Missouri DREAM process, in which St. Joseph participated, allowed for a number of reports to be completed leading up to this point in time. Yet no study or document to this date has collected all of the pieces and put them into one document as a proposed vision for downtown St. Joseph. In addition, no report has suggested the total cost for the vision and how it might be funded. This document provides both the vision for downtown in terms of the built environment and attempts to quantify the sources and uses of funds necessary to accomplish the vision over the next decade. Finally, this analysis shows how other similar communities have rallied around a downtown plan and moved toward implementation. As part of its research, HSP reviewed the prior studies and met with a number of downtown stakeholders to get their input.

The City Council voted in December of 2008 to engage Hunden Strategic Partners to execute the following main scope components in this report:

- Section 1 - Establishing the Vision
- Section 2 - Costs and Funding Sources
- Section 3 - Comparison Case Studies

With this document in hand, the City and downtown stakeholders can marshal the forces necessary to move St. Joseph toward this aggressive, yet achievable vision. It is the stepping stone document between numerous planning documents and the actual implementation approach that is needed next.

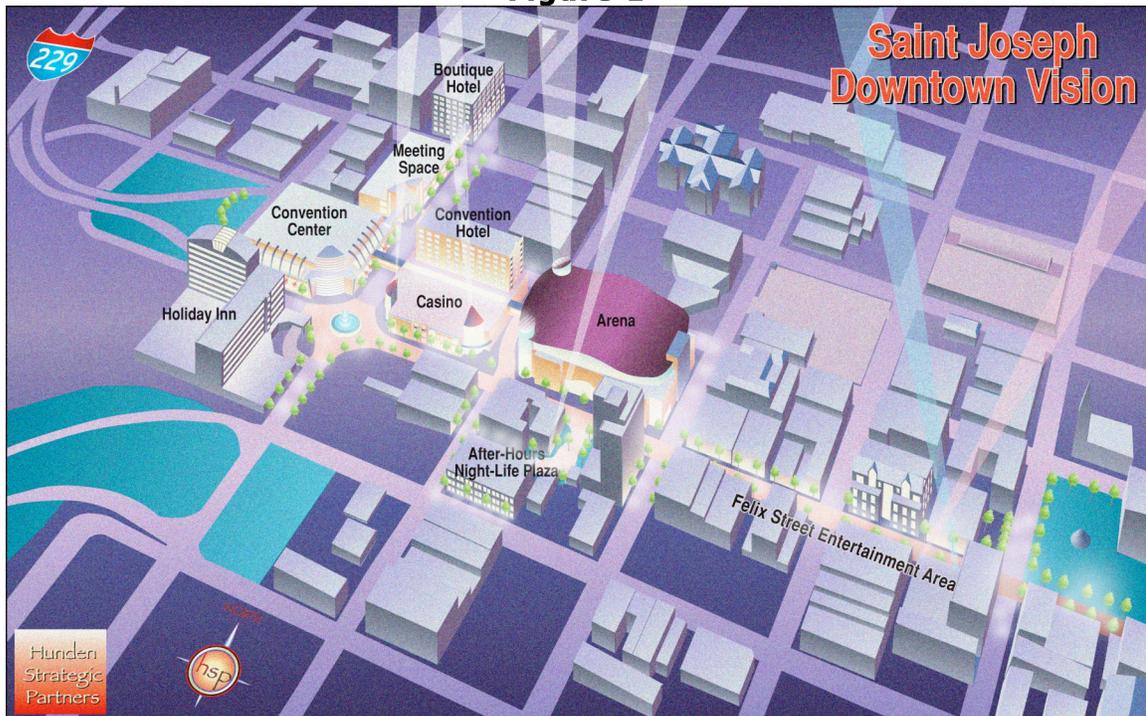
A summary of conclusions follows:

- Downtown St. Joseph needs a strategic implementation of its vision for downtown. This report will serve as such a tool that will help the downtown stakeholders move forward in executing their plan for downtown St. Joseph. Numerous studies have been conducted and it is now time for action (see Exhibit A).
- The redevelopment of downtown will include those components the city determined to be a priority as set out in the 10 Building Blocks report created by the city. These components are a new convention center, creation of an entertainment district along Felix Street, new hotel product, and public parking. The plan also includes a new arena, moving the casino into downtown and a hotel to serve the casino. This will be enhanced by streetscape improvements and historic preservation, leading to private investment and job creation.

- To accomplish a cohesive final product, the city is advised to divide the components into at least two phases to ensure that each piece has time to be absorbed into the local market and synergy created. Within each phase, each project will require its own unique strategy.
- The first phase should include the new 80,000-square foot convention center, 180 new hotel rooms, 1,075 parking spaces, 188,000 square feet of mixed-use commercial space, 444 mixed-income residential units and 1.5 miles streetscape improvements.
- Initial talks have occurred to develop a new arena in downtown St. Joseph. In addition, discussion has begun to determine if the opportunity exists to bring Terrible's Casino downtown from its current location. These components could be incorporated in the Phase II of a redevelopment plan that would add destination appeal and activity to downtown.
- Funding for the entire redevelopment would need to come from various sources, including Tax Increment Financing, MoDESA, and a Community Improvement District tax. HSP recommends incorporating the privately owned restaurant, retail, and hotel improvements into the newly created TIF district downtown. The action steps for financing are dependent upon each project's characteristics. The first step is identifying if land and buildings are owned by the City. If so, it can take strategic action on development. HSP recommends discussing each project individually in terms of an implementation plan.

Moving from the study and planning phase into a new phase of smart implementation can achieve these visions and the result may look similar to the rendering below.

Figure 1



Next Steps

The next steps for implementation of this plan are many and vary by project, however, there are certain principles that apply to most projects.

Step 1 – Identify the Specific Projects and Land/Building Parcels necessary for redevelopment of each project.

Step 2 – Acquire the Land and Buildings necessary to put the City or Redevelopment organization in a position of master developer. Without publicly-owned redevelopment parcels, the City will not have the leverage to attract private developers.

Step 3 – City Becomes the Master Developer. Once land has been acquired, the City or Redevelopment Agency should take a methodical approach to redevelopment via RFQ and RFP processes, creative ground leases, and other tactics utilized in other successful communities.

This is the start of the implementation phase and will require continued leadership by the City, as well as technical and legal advisory.

SECTION 1. ESTABLISHING THE VISION

The Last 100 Years – Downtowns Generally

As is the case with most downtowns, the period from 1910 – 1960, and especially prior to the end of World War II, was the height of downtown activity. Downtowns not only represented the spirit and energy of the community, they were the primary place where business, tourism, shopping and entertainment occurred for the community. Downtowns even housed a large number of residents via various apartment buildings and adjacent neighborhoods.

As the automobile became the primary source of transportation and roads were developed to accommodate this change, more sprawling suburban development occurred and downtowns lost their place as the center of all activity. In addition, low-income housing was often developed near downtowns, which led to real and perceived safety issues and flight of wealthier residents. Racial tensions also fueled an exodus from downtowns in the 1960s and 1970s, although this was much more pronounced in larger cities. The 1970s marked the low point for downtown activity across most of the U.S.

As a result, cities began efforts in earnest to reinvigorate their downtowns in the late 1970s, 1980s and into the 1990s. Many demolished blocks and blocks of historic buildings to make way for more modern public-oriented Urban Renewal projects that often were full city blocks or larger. These developments did not necessarily improve the captivating features of downtown (such as historic detail, store fronts, pedestrian activity, etc.), but they often cleared out blighted areas. But other projects and groups were created that did start to change the face of downtowns.

From an organizational development perspective, this is when many downtown promotion organizations were created, often as public-private entities. Convention and visitors bureaus were formed to promote tourism and group travel -- and these were usually broken off from the local Chamber of Commerce to provide focus and independence. New facilities were funded in attempts to remake downtowns as visitor attractions. Facilities developed typically included sports facilities, convention centers, urban malls and festival marketplaces. Some cities created pedestrian malls to limit cars and encourage pedestrian shopping. Massive parking garages were also typically built. One-way streets became the norm.

These efforts were sometimes good steps in the right direction, for the most part, yet were often obtuse in their application. Some hurt downtown development. The intent was there, but the results hoped for were often not realized. City boosters acted in large broad strokes, hoping that a major project or two could improve the downtown for the long term. This 'silver bullet' fallacy was borne out time and again for cities like St. Joseph and other larger and smaller communities. Convention centers and sports facilities did not trigger the spin-off investment hoped for, pedestrian malls failed (because one does not often visit something they cannot see from their car), festival marketplaces failed after the novelty wore off, and the full-city block projects took away the ambience and walkability of downtowns, turning

them into quasi-suburban experiences. One-way streets and massive garages made driving easier downtown, but hurt the downtown experience for those not in a car.

Since the early to mid-1990s, the ideas of downtown as a live-work-play activity center – and heartbeat of the community – have been key goals for professional urban developers, city managers, consultants, and related organizations. Downtowns may not be the center of all commerce and activity in a market during the next 100 years, but they are the centerpiece of a community, they can provide unique experiences not available in suburbs and exurbs, and they can often be the only place where a pedestrian can truly reside, be employed and have a social life, all without a car. As downtowns are often the site of sports, convention and entertainment facilities, they also become unique destinations within a market.

What are the differences in perspective now than before? First is a realization that any successful downtown includes dozens of small components that compliment larger components, similar to St. Joseph's Ten Building Blocks to Downtown Revitalization discussed later in this report. Large projects like convention centers and arenas are demand generators, but they cannot recreate downtown on their own. They must be supported by developments that offer the glue between living, working and playing. These include restaurants, novelty and necessary retail, grocery options, as well as public spaces, green space, cultural elements and numerous events. The Kansas City Power & Light District and other development like it attempt to provide all of this as part of one development. Other communities have developed these items organically, working with individual business owners and offering advice, support and incentives.

The Last 100 Years – Downtown St. Joseph

St. Joseph has a rich past. It was a frontier trading post, the place where the road to California began, and where the Pony Express originated.

Downtown St. Joseph is home to many historic buildings -- some of them on the National Register of Historic Places – but half of them are currently empty or not fully utilized. As the City began to see a shift in how residents shopped and did business, downtown St. Joseph started to lose business to shopping centers built out of downtown. The biggest was the East Hills shopping center that started the flight of business from downtown. A new interstate highway was built on the West side of downtown as a double decker freeway that closed off downtown from the Missouri River.

In the mid-1960s, downtown businesses started to move east and the city started searching for a strategy to reactivate downtown. First came urban renewal where many old buildings were knocked down and replaced by new and undistinguished office structures and parking garages. The demolition of the Old Market Square Complex to make way for the Holiday Inn is a prime example of this trend.

The decline continued so urban planners decided a pedestrian mall might be what could bring people back downtown. Streets were redesigned and cars were banned

on some of them. The project actually had an adverse effect on downtown and killed off even more of downtown.

In the last 20 years, downtown St Joseph has seen resurgence in interest from both local and out of town developers, mainly for their interest in large historic empty buildings available at a low cost. One by one, block by block, pockets of downtown have begun to improve, signaling that downtown is trying to rebound from decades of decay.

Downtown St Joseph is no longer competing with the newest shopping developments but is now beginning to market itself for the unique specialty shops it has to offer as well as becoming its own residential community with the success of historic buildings being converted into loft apartments.

With the support of the current City Council and help from the State of Missouri through the Governor's DREAM (Downtown Revitalization and Economic Assistance for Missouri) program, St Joseph is beginning to create a blue print for downtown revitalization to rebuild this neighborhood block by block.

St. Joseph's organic approach comes in the form of approval of a downtown TIF and in its applying for federal stimulus funds for downtown projects. In addition, by conducting a number of studies related to various elements of downtown, it has shown it is serious about moving downtown forward.

The second realization is that having a vision and a plan for downtown is critical to long-term success. While the ultimate reality may not match the vision exactly, having a road map from which to work is important as it focuses political and financial capital around an agreed-upon set of principles and goals.

The following is a figure of redeveloped downtown property in St. Joseph.

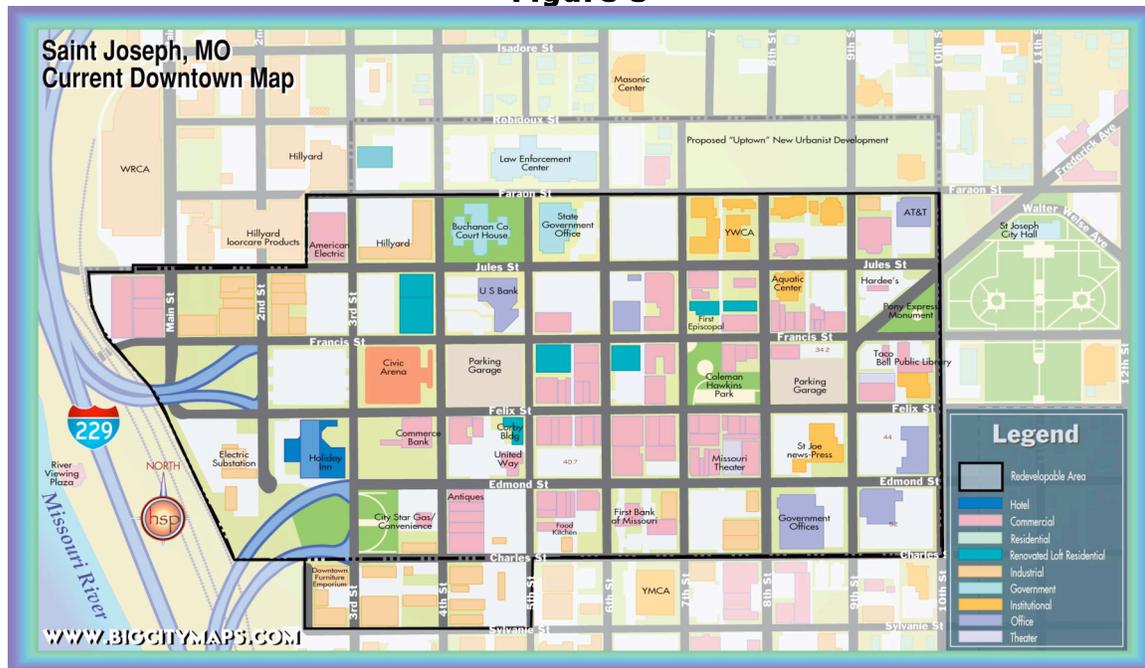
Figure 2



Downtown St. Joseph 2020 – The Next Chapter

Defining the Redevelopment Area. The following figure shows the redevelopment area in downtown St. Joseph, which coincides with the newly approved downtown TID district.

Figure 3

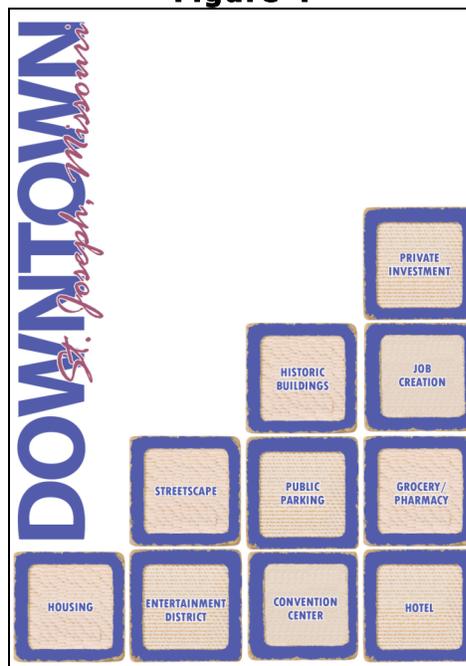


The subject area is defined as the central business district (CBD) and encompasses roughly 48 city blocks between Faraon St. to the north, Sylvanie and Charles Streets on the south, 10th St. on the east and I-229 on the west.

Ten Building Blocks to Downtown Revitalization

St. Joseph, Missouri has historically had a difficult time redeveloping its downtown area. There have been several studies that have detailed elements of downtown including a TIF Redevelopment Plan, a Housing Market Analysis, Convention Center and Hotel Feasibility Analysis, an Organizational Structure Review and the Land Use and Building Infrastructure and Community and Consumer surveys. These surveys and studies were instrumental in identifying and formalizing the Ten Building Blocks to Downtown Revitalization. The work completed as a part of the building blocks has profiled downtown and provided in depth analyses of downtown components. Below is a summary of the items previously considered in prior studies that are being used to cohesively and comprehensively, revitalize downtown St. Joseph.

Figure 4



Housing – According to the Housing Market Analysis of downtown St. Joseph produced in 2007, approximately 130 market-rate renters, 60 limited-income seniors and 250 to 275 potential for-sale homeowners would be attracted to living in the downtown market area between 2007 and 2012. Due to current economic conditions, the timeline for development of these units will likely be extended.

The following table shows the current affordable and market rate housing units in downtown St. Joseph.

Table 1

Downtown St. Joseph Housing Units	
Affordable Housing Units	
Townsend & Wall	47
Mertland	65
Robidoux Hill Apts	40
Chilton Place (senior)	57
Lofts at Landmark	45
4th Street Lofts	24
San Regis	40
Total	318
Market Rate Housing Units	
Fountains at Cobry (senior)	77
Krug	4
Gateway Condos	8
Downtown Apartments	5
Brittain-Richardson	14
Commerce Building	3
416 North 7th	11
Wesley Towers	110
Lofts at 415	45
Total	277
Total (including Market Rate & Affordable Units)	595
Source: MHDC, City of St. Joseph	

In 2007, there were nearly 600 total residential units in downtown St. Joseph. There were 318 affordable housing units and 277 market rate housing units. The largest residential building was Wesley Towers with 110 units.

The Housing Market Analysis suggested the demand for market rate renter households, limited-income senior households and owned housing units between 2007 and 2012. The study recommended 130 additional market rate renter households, 60 limited-income senior households and between 250 and 275 homes for sale. The suggested price range for homes for sale is between \$150,000 and \$230,000.

Given the economic changes that have occurred since the study was conducted, it is not likely that these targets will be achieved by 2012. However, this analysis

assumes that this is a good target for residential development by 2020. It is assumed the private sector funds all such development.

Entertainment District – The area along Felix Street corridor between 9th Street on the east and 5th Street on the west is known as the “entertainment district.” A retail study conducted by E.D. Hovee in 2007 suggests four guiding principles for the success of a downtown entertainment district. These principles are listed below.

- Sustainable revitalization of Felix Street from an “inside-out” strategy - focus on the interior core of the district and begin redevelopment rather than transforming the area around the district.
- Retail requires other uses to generate pedestrian activity and private investment – residential use or office use and above street level development is key to the district’s success.
- Shopper and pedestrian friendly public streetscape design – the area must have an appealing looking to proper landscaping, lighting and signage.
- Active public-private participation – the city will need to lead the development for private investment to spark.

The study recommends that it is important to create a program to encourage property and business owners to make improvements in existing retail storefronts by providing low interest loans and/or grants for storefront improvements. In addition, in the experience of HSP, restaurants and other related nightlife is a key element to the success of an entertainment district, so long as it is carefully calibrated to entice all demographics to spend time and money there. The bars must not frighten potential customers from the entire district. This is why certain districts have dress codes or utilize a number of visible security measures.

This analysis assumes that the entertainment district will require some public funds to entice a reputable developer to help shape the project for success in the way of TIF and/or MoDESA, which will be explained later in this report.

Convention Center – In 2007, HSP, with support from PGAV, completed a feasibility study for a downtown convention center and hotel. Originally, the report was supposed to consider this as an expansion of the Civic Arena, however the HSP/PGAV team concluded that the arena was not in condition to be expanded nor was the available land/street grid conducive to the idea. While HSP believes that a combination ‘events center’ (combination of arena and convention center) could work, this has not been studied to date, although it is recommended. At the conclusion of the report, HSP suggested a very small convention center of 22,000 square feet of exhibit space, 9,500 square feet of ballroom space and 4,000 square feet of meeting space, as well as a 130-room, full-service hotel as a rehabilitation of the American Electric Building. The report also suggested an expansion of the Holiday Inn to over 200 rooms, at minimum. The convention center project was estimated to cost \$32 million and the hotel was expected to cost \$16 million, totaling \$48 million. The public is expected to fund the convention center as well as a portion (up to 25 percent) of the hotel cost.

Hotels – PGAV, HSP and the City of St. Joseph have determined three options for hotel room expansion in the downtown area. The first option includes the expansion of the current Holiday Inn downtown into 300 rooms. The second includes the expansion of the Holiday Inn into a 200-room hotel and developing a second hotel with 100 or more rooms. As mentioned above, the American Electric Building was considered as a possible redevelopment site for up to 130 hotel rooms. An alternate option is to bring the casino into the CBD and induce the addition of a hotel as part of their project that would suit their needs and assist in overall downtown hotel room supply. This could be part of a phase II development. In the casino-hotel scenario, this analysis assumes that the City provides a significant subsidy to develop the casino hotel as its share of the cost of moving the casino downtown.

Streetscape – In addition to the Felix Streetscape improvements, which have recently occurred, the city suggests streetscape design improvements for other future projects downtown including the Uptown project and the San Regis building. The City will work with developers to ensure similar streetscape design across downtown to create a more pedestrian friendly environment by creating a sense of place. A Community Improvement District (CID) may be incorporated into downtown to provide funding for public facilities or improvements in the district area including shopping plazas, parks, landscaping, infrastructure improvements, parking lots/garages and lighting, benches, trash receptacles and awnings.

Public Parking – A parking study for Downtown St. Joseph, completed in 2005, outlined the parking situation downtown. There are approximately 4,700 parking spaces available downtown, 55 percent of which are city owned and operated. Parking available on weekdays is sufficient while there is a lack of spaces available during peak hours and for special events. Many residents say parking regulations downtown are confusing and inconsistent. The Parking Plan created a list of options that could address these issues. It recommended the following options: a.) Reintroducing parking meters; b.) Providing free spots for shoppers that would be paid for by imposing a surcharge on all merchants in the area; or c.) Proving free downtown parking paid for by an additional CID sales tax.

Grocery/Pharmacy – As people begin relocating downtown, there will be a demand for grocery stores and pharmacies in the area. There are several obstacles that downtown faces in order to incorporate new stores. Land prices are more expensive, there is a lack of available land to place a 50,000 square foot store, the grocery market is not currently interested in locating in older downtowns and zoning laws sometimes drive developers away. These amenities, especially groceries, require a large concentration of residential units nearby in order to succeed. This will continue to be a challenge for downtown, but a goal for a small pharmacy that provides minimal groceries may be achievable by 2020.

Historic Buildings – Of the city's many historic buildings downtown, nearly 50 percent of those are vacant or underutilized. A Downtown TIF Plan would help revitalize these buildings by providing façade improvements and other funds to rehab the usage of the buildings. Several studies have suggested a TIF district in downtown St. Joseph and the downtown TIF was recently passed in June of 2009. Programs suggest the city to serve as a "master developer" by coordinating the revitalization of

several downtown projects. The city would help provide assistance to private developers to revamp building facades and other components. The TIF program would assist local businesses, homeowners, residents and property owners through grants, loans and other programs in order to help with revitalization efforts.

Job Creation – Job creation is a critical component to any downtown redevelopment project. The steps recommended in this report are expected to add a significant number of jobs downtown. A specific job creation study has not been executed, however assumptions in the following sections are made as to the number of jobs that the downtown vision will create based on industry knowledge and specific data collected. As each project begins its financing plan, more specific job impact numbers will be confirmed.

Private Investment – The estimated total value of recent/planned private investment in downtown St. Joseph is about \$139 million. The following table shows some of the largest private investments downtown over the last ten years.

Table 2

Largest Private Investments in Downtown St. Joseph	
Project/Investor	Cost
Completed	
Foutch Brothers	\$36.5 Million
San Regist Apartments	\$9 Million
Holiday Inn	\$6 Million
Lofts at 415	\$6 Million
Lofts at Landmark	\$6 Million
Winston Bennett	\$6 Million
Fourth Street Lofts	\$4 Million
Underway or Planned	
Uptown Project	\$51 Million
Mid City Development	\$4.5 Million
Source: PGAV, City of St. Joseph	

This investment is impressive given the lack of an incentive process in place, beyond the TIF that was recently approved. Almost all of this investment was in private funds, which suggests that with additional tools, the next ten years for downtown could be even more robust in terms of investment.

Downtown Revitalization

Phased Approach to Downtown Revitalization

Not all of the components described above can be implemented at one time. A phased approach is the best possible way to ensure that all pieces of St. Joseph’s vision for downtown have time to stabilize and grow to a healthy lever before more is developed. Introducing too much too quickly can have very adverse effects for retail and residential occupancy as well as weak sales tax revenue that is necessary to fund projects in the vision.

Phase I

Phase I is recommended to include the components shown in the following table. The recommendations for Phase II will be discussed later in the report.

Table 3

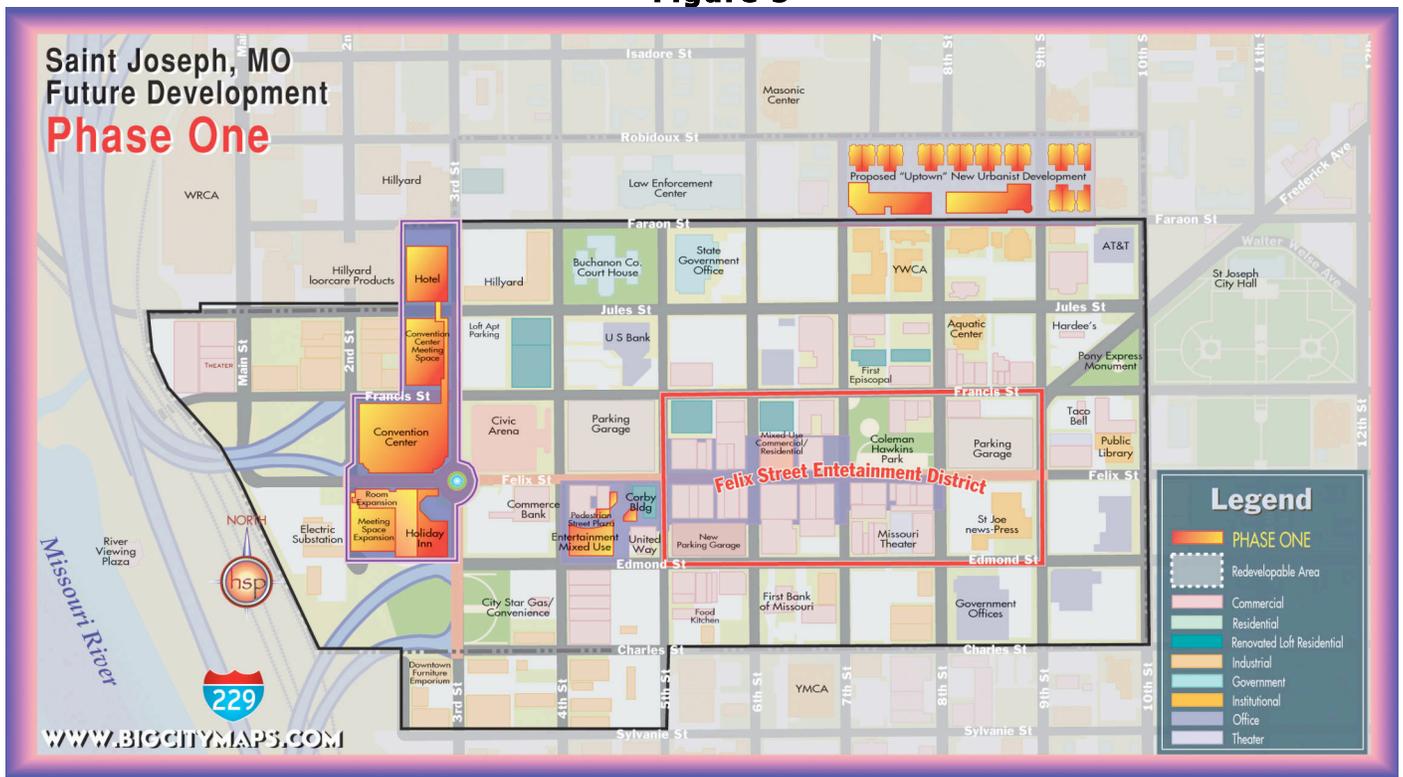
Summary of Phase I Development	
	Size
Boutique Hotel	130 Rooms
Holiday Inn Expansion	50 Rooms
Convention Center	78,889 SF
Parking	
Convention Center Garage	300 Spaces
Hotel/Garage	525 Spaces
Edmond/5th Street Garage	250 Spaces
Redevelopment	
Retail	23,000 SF
Restaurant	120,000 SF
Office	45,000 SF
Residential	
Rental	130 Units
Low-Moderate Income	60 Units
Market Rate	254 Units
Streetscape	1.5 Miles
Source: HSP	

Visuals

HSP took the recommendations for future development and considered how those might help achieve downtown revitalization. There are a number of underutilized sites in the downtown area, including some vacant buildings, surface parking, and other underutilized buildings. HSP reviewed the potential sites that could be improved (either with new development or by rehabbing existing structures) and suggested a development plan that matched the physical opportunity with the recommendations from the prior reports. Based on the time, effort and resources necessary, the 2020 plan focuses on Felix Street as well as several distinct developments. A secondary area, which is more expansive, is suggested as a second phase of the vision.

The following figure shows the downtown vision that incorporates an enhanced entertainment district along Felix Street, convention center, and two hotels (as well as the Holiday Inn expansion). In addition, the Uptown project is assumed to be completed as well as several smaller mixed-use projects.

Figure 5



The following figure is a simple rendering of what Felix Street might look like once both Phase I and Phase II of the plan has been implemented.

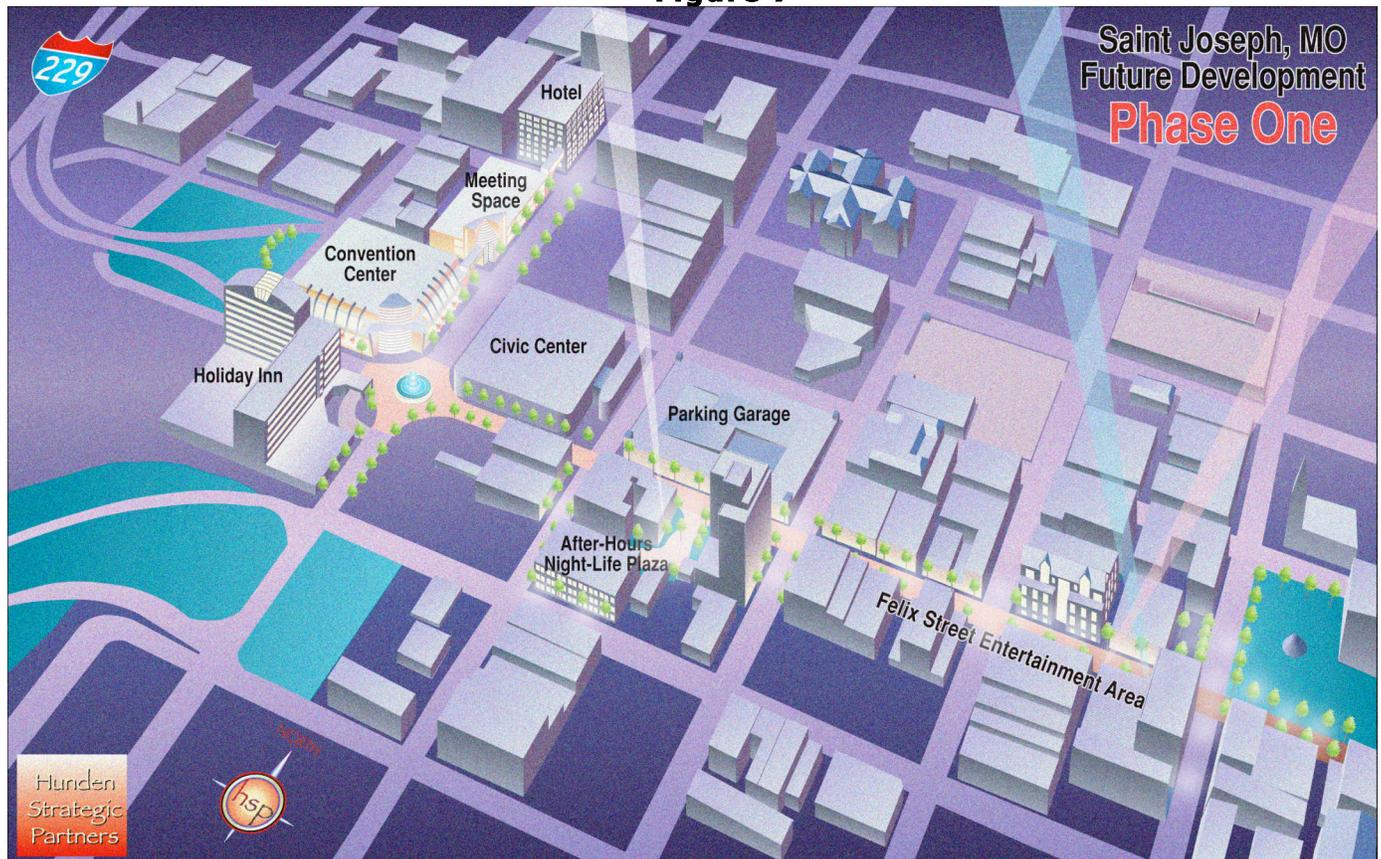
Figure 6



As shown, Felix Street would be the primary spine of downtown activity, as the site of the entertainment district, arena, potential casino and convention center.

Downtown will begin to transform once the components of Phase I are developed, as shown in the following figure.

Figure 7



Downtown Revitalization

Phase II

If it is decided that Phase II should occur, two additional large projects (and multiple smaller projects) could be introduced downtown. The first is a new arena to hold events downtown and create demand for other downtown amenities, most of which are a part of Phase I. The other possibility in the second phase of redevelopment is moving Terrible's Casino downtown. While no study has been conducted regarding a casino downtown, the current Terrible's Casino is located on the river just west of downtown. Moving the casino downtown would add significant energy, activity and spending in the downtown area and it would generate synergy amongst the arena, convention center, hotels and restaurants. Downtown Casinos are successful in other places in Missouri, most significantly in St. Louis.

Phase II is recommended to include the components shown in the following table.

Table 4

Summary of Phase II Development	
	Size
Casino Hotel	200 Rooms
Casino	48,000 Gross SF
Arena	5,000 Seats
Source: HSP	

The following figure shows Phase II highlighted on the downtown map.

Figure 8



Phase II projects would require significant public financing. The existing Civic Arena would be demolished and a new casino and hotel would be constructed where the arena now stands. The new St. Joseph Arena would likely be publicly owned and Casino management indicated that some form of assistance would be necessary before considering a move downtown. Although direct incentives for gaming establishments are not permitted, one possibility could be the city developing a hotel adjacent to the casino that will primarily serve the casino.

In addition, the vision for Phase II includes additional residential development and other developments outside of the Felix Street corridor.

The following figure is a rendering of what downtown St. Joseph might look like after Phase II is complete.

Figure 9



SECTION 2. COSTS AND FUNDING SOURCES

Costs

Phase I

Based on the studies previously performed for the City of St. Joseph as well as certain new assumptions, HSP has established a development program based on the Phase I components discussed above.

The following table shows the breakdown of the costs related to each component to be included in the vision for downtown St. Joseph.

Table 5

Summary of Phase I Development Costs			
	Size	Cost per Unit	Total Cost
Boutique Hotel	130 Rooms	\$ 123,077	\$ 16,000,000
Holiday Inn Expansion	50 Rooms	\$ 90,000	\$ 4,500,000
Convention Center	78,889 SF	\$ 406	\$ 32,000,000
Parking			
Convention Center Garage	300 Spaces	\$ 25,000	\$ 7,500,000
Hotel Garage	525 Spaces	\$ 31,000	\$ 16,275,000
Edmond/5th Street Garage	250 Spaces	\$ 20,000	\$ 5,000,000
Redevelopment			
Retail	23,000 SF	\$ 115	\$ 2,645,000
Restaurant	120,000 SF	\$ 125	\$ 15,000,000
Office	45,000 SF	\$ 110	\$ 4,950,000
Residential			
Rental	130 Units	\$ 160,000	\$ 20,800,000
Low-Moderate Income	60 Units	\$ 150,000	\$ 9,000,000
Market Rate	254 Units	\$ 160,000	\$ 40,640,000
Streetscape	1.5 Miles	\$ 1,000,000	\$ 1,500,000
Grand Total			\$ 174,310,000

Source: HSP

The total cost for the Phase I 2020 redevelopment is more than \$174 million. The convention center is the largest single project cost. The costs for the destination

district are relatively modest since the buildings already exist and many are outfitted with restaurants. So the costs shown above are for additional tenant improvements for retail and restaurants that are assumed necessary to bring new tenants and level of quality up to new standards.

Some of the development shown above will need public incentives in order to be developed. It is assumed that the City of St. Joseph, state or combination of the two will participate, whether it be through the various tax incentives or the ability to build public infrastructure, such as parking structures, or in some cases build the whole project.

The following is a table shows the estimated amount of public funds that would be necessary to execute the vision described above in Phase I.

Table 6

Estimated Public Participation in Downtown Redevelopment (without Casino)			
	Total Cost	Percent Subsidy	Public Incentive
Boutique Hotel	\$ 16,000,000	25%	\$ 4,000,000
Holiday Inn Expansion	\$ 4,500,000	20%	\$ 900,000
Convention Center	\$ 32,000,000	100%	\$ 32,000,000
Parking	\$ 28,775,000	100%	\$ 28,775,000
Redevelopment			
Retail	\$ 2,645,000	25%	\$ 661,250
Restaurant	\$ 15,000,000	25%	\$ 3,750,000
Office	\$ 4,950,000	0%	\$ -
Residential	\$ 70,440,000	0%	\$ -
Streetscape	\$ 1,500,000	100%	\$ 1,500,000
Grand Total	\$ 174,310,000	41%	\$ 71,586,250

Source: HSP

It is assumed that the public sector will need to support approximately 41 percent of the total project costs, or nearly \$72 million. Certain components will require complete ownership by the city or an authority created specifically for them, such as the Convention Center and parking facilities.

Phase II

The following is a summary table of the costs associated with Phase II.

Table 7

Summary of Phase II Redevelopment Costs		
	Size	Total Cost
Casino Hotel	200 Rooms	\$ 33,000,000
Casino	48,000 Gross SF	\$ 50,000,000
Arena	5,000 Seats	\$ 30,000,000
Grand Total		\$ 113,000,000

Source: HSP

The total cost related to Phase II redevelopment would total \$113 million, with the largest of project being the construction of the casino, which is estimated to cost \$50 million.

Phase II, like Phase I, will need public assistance to be feasible. The following table shows the estimated subsidy that would be required for these projects to be constructed.

Table 8

Estimated Public Participation in Downtown Redevelopment			
	Total Cost	Percent Subsidy	Public Incentive
Casino Hotel	\$ 33,000,000	100%	\$ 33,000,000
Casino	\$ 50,000,000	0%	\$ -
Arena	\$ 30,000,000	100%	\$ 30,000,000
Grand Total	\$ 113,000,000	56%	\$ 63,000,000

Source: HSP

Certainly not all of the projects will be developed simultaneously, but this analysis shows how phasing some of the higher impact projects can initially generate funds for use on other future projects that require significant public funding.

Funding Sources

This analysis attempts to estimate the revenue derived locally for the City that could be redirected to fund portions of projects. Because the start dates for the projects is unknown, a 25-year horizon was shown for each funding stream.

Hotel Occupancy Taxes

The city of St. Joseph currently receives three (3%) percent of the eight (8%) percent hotel occupancy taxes that are collected on the sale of each room night in the City of St. Joseph. However, it is assumed that this will be increased to six (6%) percent (the state allows the local portion to be as high as eight percent with voter approval). The entire current hotel occupancy tax of three (3%) percent is used by the city of St. Joseph to help finance civic arena operations. Hotel occupancy taxes in excess of three (3%) can be applied new tourism related projects such as a convention center.

The following is a table that shows the net new hotel occupancy taxes that would be generated by a new 130-room boutique hotel and a 50-room expansion of the Holiday Inn.

Table 9

Net New Hotel Tax Generated (without Casino)								
Boutique Hotel	Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	30 Year Total
Occupied Room Nights	27,834	33,095	33,095	33,095	33,095	33,095	33,095	356,465
Average Daily Rate	\$79	\$89	\$103	\$119	\$138	\$160	\$186	--
Room Revenue	\$2,198,886	\$2,945,455	\$3,408,785	\$3,951,716	\$4,581,122	\$5,310,776	\$6,156,645	\$29,377,051
Hotel Occupancy Tax Rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	--
Tax Collected	\$131,933	\$176,727	\$204,527	\$237,103	\$274,867	\$318,647	\$369,399	\$7,423,214
Holiday Inn Expansion								
Occupied Room Nights	10,768	12,775	12,775	12,775	12,775	12,775	12,775	137,423
Average Daily Rate	\$79	\$87	\$99	\$114	\$133	\$154	\$178	--
Room Revenue	\$850,633	\$1,113,996	\$1,260,384	\$1,461,130	\$1,693,850	\$1,963,637	\$2,276,393	\$11,058,734
Hotel Occupancy Tax Rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	--
Tax Collected	\$51,038	\$66,840	\$75,623	\$87,668	\$101,631	\$117,818	\$136,584	\$2,756,504
Total HOT Tax	\$182,971	\$243,567	\$280,150	\$324,771	\$376,498	\$436,465	\$505,982	\$10,179,718

Source: HSP

Over a 25-year period the two hotel projects are expected to generate \$10 million in hotel occupancy taxes.

Local Sales Tax Collection through MoDESA and CID

Sales taxes collected by the city are 1.5 percent and under MoDESA, are able to be applied back to funding certain projects. Although the sales taxes may not be used to finance all components, it could fund a major portion of several projects. An additional one percent can be raised through a CID.

The following table shows the schedule of sales taxes expected to be collected from all components in the redevelopment. The table also includes a one percent CID tax that can be applied to all new taxable sales in the development area. The CID was not calculated on any existing sales, although these funds would also be available.

Table 10

Sales Tax Generated from Redevelopment (Phase I)								
Taxable Revenue		Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	25 Year Total
Retail		\$ 5,750,000	\$ 6,223,985	\$ 6,871,782	\$ 7,587,003	\$ 8,376,664	\$ 9,248,514	\$ 184,174,223
Restaurant		\$ 36,000,000	\$ 38,967,558	\$ 43,023,332	\$ 47,501,235	\$ 52,445,202	\$ 57,903,741	\$ 1,153,090,790
Hotel		\$ 3,377,900	\$ 4,600,698	\$ 5,338,476	\$ 5,894,109	\$ 6,507,573	\$ 7,184,886	\$ 139,903,179
Holiday Inn Expansion		\$ 909,435	\$ 1,223,448	\$ 1,350,785	\$ 1,491,376	\$ 1,646,599	\$ 1,817,979	\$ 35,844,110
Convention Center		\$ 874,204	\$ 2,014,928	\$ 2,272,278	\$ 2,508,778	\$ 2,769,894	\$ 3,058,186	\$ 58,044,481
Tax Collected	Tax Rate	Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	25 Year Total
Retail	1.5%	\$ 90,000	\$ 97,075	\$ 112,537	\$ 130,461	\$ 151,240	\$ 175,328	\$ 3,148,362
Restaurant	1.5%	\$ 540,000	\$ 584,513	\$ 645,350	\$ 712,519	\$ 786,678	\$ 868,556	\$ 17,296,362
Hotel	1.5%	\$ 50,668	\$ 69,010	\$ 80,077	\$ 88,412	\$ 97,614	\$ 108,830	\$ 2,099,604
Holiday Inn Expansion	1.5%	\$ 13,642	\$ 18,352	\$ 20,262	\$ 22,371	\$ 24,699	\$ 27,270	\$ 537,662
Convention Center	1.5%	\$ 13,113	\$ 30,224	\$ 34,084	\$ 37,632	\$ 41,548	\$ 45,873	\$ 870,667
TOTAL SALES TAX		\$ 707,423	\$ 799,175	\$ 892,310	\$ 991,393	\$ 1,101,779	\$ 1,225,857	\$ 23,952,657
CID Tax		1.0%	\$ 469,115	\$ 530,306	\$ 588,567	\$ 649,825	\$ 717,459	\$ 792,133
			\$ 15,710,568					

Source: HSP, City of St. Joseph

By the fifth year all components are expected to generate nearly \$800,000 in rebated sales taxes and more than \$530,000 in CID-related sales taxes. The 25-year total sales tax collected is nearly \$24 million under MoDESA and \$16 million under the CID.

Property Taxes through TIF

The redevelopment of downtown will generate net new property taxes to the City of St. Joseph that will be incremental and eligible to fund TIF bonds. Property taxes are assessed based on the cost approach, where the cost to construct a building is the prime variable for calculating what it will pay in property taxes. This analysis assumes that many buildings are renovated, not rebuilt, so the incremental improvement is much less than a newly-constructed building.

The following table shows the property taxes that the downtown redevelopment and all its components are estimated to generate. Publicly-owned buildings like the convention center would not pay property taxes.

Table 11

Property Tax Generated							
	Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	25 Year Total
Retail	\$ 61,787	\$ 69,542	\$ 80,618	\$ 93,459	\$ 108,344	\$ 125,601	\$ 2,252,716
Restaurant	\$ 350,400	\$ 394,378	\$ 457,193	\$ 530,011	\$ 614,429	\$ 712,291	\$ 12,775,326
Office	\$ 115,632	\$ 130,145	\$ 150,874	\$ 174,904	\$ 202,761	\$ 235,056	\$ 4,215,858
Holiday Inn Expansion	\$ 105,120	\$ 118,313	\$ 137,158	\$ 159,003	\$ 184,329	\$ 213,687	\$ 3,832,598
Boutique Hotel	\$ 373,760	\$ 420,670	\$ 487,672	\$ 565,346	\$ 655,390	\$ 759,777	\$ 13,627,015
Residential	\$ 977,003	\$ 1,099,625	\$ 1,274,767	\$ 1,477,804	\$ 1,713,180	\$ 1,986,046	\$ 35,620,803
Total	\$1,983,702	\$2,232,674	\$2,588,281	\$3,000,527	\$3,478,433	\$4,032,458	\$ 72,324,316

Source: HSP, Buchanan County

Collectively, all of the components in the downtown redevelopment will generate \$72 million in property taxes over a 25-year period.

State Income Tax Withholding through MoDESA

In addition to sales and property tax, MoDESA allows for the use of state income tax withholdings to be used as incentives for development. According to the state the maximum withholding allowed for a project in St. Joseph is 2.54 percent.

The table following table shows the state income tax withholding that the designated area will generate over the span of 25 years.

Table 12

State Income Tax Withholding							
Use	Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	25 Year Total
Retail	\$25,649	\$28,868	\$33,466	\$38,797	\$44,976	\$52,139	\$935,149
Restaurant	\$456,210	\$513,468	\$595,251	\$690,059	\$799,967	\$927,381	\$16,633,081
Office	\$145,987	\$164,310	\$190,480	\$220,819	\$255,989	\$296,762	\$5,322,586
Convention Center	\$12,394	\$13,949	\$16,171	\$18,747	\$21,732	\$25,194	\$451,865
Holiday Inn Expansion	\$11,854	\$13,342	\$15,467	\$17,930	\$20,786	\$24,097	\$432,191
Boutique Hotel	\$30,821	\$41,978	\$48,709	\$56,467	\$65,461	\$65,461	\$1,319,763
Total	\$682,915	\$775,915	\$899,544	\$1,042,818	\$1,208,912	\$1,391,034	\$25,094,635

Source: HSP, State of Missouri

By the fifth year the state income tax withholding are expected to be nearly \$776,000 that can be used as part of MODESA. In the total 25-year period that MODESA can function, nearly \$25 million in state income tax withholding is expected.

Source and Cost Comparison

Phase I

The table below shows all of the funding from the primary sources without double counting for any overlapping sources.

Table 13

Sources for Bond Repayment (Phase I)							
Source	Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	25 Year Total
Hotel Occupancy Tax	\$ 182,971	\$ 243,567	\$ 280,150	\$ 324,771	\$ 376,498	\$ 436,465	\$ 7,792,950
CID	\$ 469,115	\$ 530,306	\$ 588,567	\$ 649,825	\$ 717,459	\$ 831,732	\$ 15,825,569
Sales Tax							
Commercial Redevelopment	\$ 630,000	\$ 681,589	\$ 757,887	\$ 842,979	\$ 937,918	\$ 1,043,885	\$ 20,444,723
Hotels	\$ 50,668	\$ 69,010	\$ 80,077	\$ 88,412	\$ 97,614	\$ 113,161	\$ 2,114,194
Convention Center	\$ 13,113	\$ 30,224	\$ 34,084	\$ 37,632	\$ 41,548	\$ 48,166	\$ 877,327
Property Tax							
Commercial Redevelopment	\$ 527,819	\$ 594,065	\$ 688,684	\$ 798,374	\$ 925,534	\$ 1,072,948	\$ 19,243,900
Residential Redevelopment	\$ 977,003	\$ 1,099,625	\$ 1,274,767	\$ 1,477,804	\$ 1,713,180	\$ 1,986,046	\$ 35,620,803
Hotels	\$ 478,880	\$ 538,984	\$ 624,830	\$ 724,349	\$ 839,719	\$ 973,464	\$ 17,459,612
Income Tax							
Commercial Redevelopment	\$ 627,846	\$ 706,647	\$ 819,197	\$ 949,674	\$ 1,100,932	\$ 1,276,282	\$ 22,890,816
Hotels	\$ 42,675	\$ 55,320	\$ 64,176	\$ 74,398	\$ 86,247	\$ 99,984	\$ 1,782,617
Convention Center	\$ 12,394	\$ 13,949	\$ 16,171	\$ 18,747	\$ 21,732	\$ 25,194	\$ 451,865
Total	\$4,012,485	\$4,563,286	\$5,228,590	\$5,986,964	\$6,858,383	\$7,907,327	\$144,504,376
NPV	\$4,012,485	\$3,614,550	\$3,094,794	\$2,648,040	\$2,266,785	\$1,952,940	\$72,137,684

Source: HSP

Using all funding sources described above, the total amount of incentive available to fund the total downtown vision from MoDESA, TIF, CID and Hotel Occupancy taxes totals more than \$4.5 million in the fifth year if all projects are developed. The total generated over 25 years is nearly \$145 million that can be used to fund the various projects in the downtown vision. The promising result here is that the projects that require a relatively small amount of subsidy (the retail/restaurant/entertainment district) generate a significant amount of tax revenue that can be captured and used to fund other future projects as shown in the following table.

Table 14

Cost and Revenue Comparison - Phase I			
	Total Cost	Public Incentive	Generated Revenue
Phase I Redevelopment	\$ 174,310,000	\$ 71,586,250	\$ 144,504,376
			Discounted Revenue (NPV)
			\$ 72,137,684

Source: HSP

Phase II

Using the funding sources described for Phase I, the following table shows the revenue that these projects would generate that would be a source for repayment of bonds over a 25 year time period.

Table 15

Sources for Bond Repayment - Phase II							
Source	Year 1	Year 5	Year 10	Year 15	Year 20	Year 25	Total
Hotel Occupancy Tax	\$ 205,510	\$ 294,995	\$ 341,980	\$ 460,236	\$ 533,539	\$ 618,518	\$ 10,516,614
CID	\$ 77,232	\$ 112,050	\$ 129,228	\$ 149,811	\$ 173,672	\$ 201,333	\$ 3,564,534
Sales Tax							
Arena	\$ 50,235	\$ 78,762	\$ 91,257	\$ 105,792	\$ 122,642	\$ 142,176	\$ 2,510,296
Casino/Hotel	\$ 52,500	\$ 59,089	\$ 68,501	\$ 79,411	\$ 92,059	\$ 106,722	\$ 1,914,111
Property Tax							
Casino/Hotel	\$1,168,000	\$1,314,594	\$1,523,975	\$ 1,766,705	\$ 2,048,095	\$ 2,374,304	\$ 42,584,421
Income Tax							
Arena	\$ 12,673	\$ 14,263	\$ 16,535	\$ 19,168	\$ 22,221	\$ 25,761	\$ 462,030
Casino/Hotel	\$ 47,416	\$ 53,368	\$ 61,868	\$ 71,721	\$ 83,145	\$ 96,388	\$ 1,728,766
Total	\$1,613,565	\$1,927,121	\$2,233,343	\$ 2,652,844	\$ 3,075,373	\$ 3,565,200	\$ 63,280,772
NPV	\$1,613,565	\$1,526,460	\$1,321,912	\$ 1,173,355	\$ 1,016,451	\$ 880,528	\$ 31,191,474

Source: HSP

Sources for bond repayment total more than \$1.9 million in the fifth year. The total generated over 25 years is roughly \$63 million that can be used to fund the various projects in Phase II. These revenue sources cover the cost of what is expected to be necessary in terms of public assistance for this phase of the redevelopment, as shown in the following table.

Table 16

Cost and Revenue Comparison - Phase II			
	Total Cost	Public Incentive	Generated Revenue
Phase II Redevelopment	\$ 113,000,000	\$ 63,000,000	\$ 63,280,772
			Discounted Revenue (NPV)
			\$ 31,191,474

Source: HSP

In addition to the 1,037 jobs created in Phase I, Phase II will also add jobs to the local economy. Due to the fact that the casino already exists the jobs related to it will not be net new to the economy. These jobs would simply shift from one location to the next, therefore are not counted in the following summary table.

Job Creation

Phase I

Executing the vision described throughout this report will result in significant job creation for the city for St. Joseph. A majority of the new jobs will be part of the service sector, however some professional jobs will be brought in from the additional office space that is a part of the program.

The following table shows an estimate of the expected jobs created in downtown St. Joseph.

Table 17

Estimated Job Creation from Phase I			
Use	Total Wages	Estimated Wage per Job	Total Net New Jobs
Retail	\$1,012,000	\$22,000	46
Restaurant	\$18,000,000	\$25,000	720
Office	\$5,760,000	\$32,000	180
CC	\$489,000	\$24,000	20
HI Expansion	\$467,709	\$24,000	19
Boutique Hotel	\$1,216,044	\$24,000	51
	\$26,944,753		1,037

Source: HSP

Based on the estimated wages that each use will generate, Phase I redevelopment will create more than 1,000 new jobs.

Phase II

The following table shows the number of new jobs expected as a result of Phase II redevelopment in downtown St. Joseph Missouri.

Table 18

Estimated Job Creation from Phase II			
Use	Total Wages	Estimated Wage per Job	Total Net New Jobs
Arena	\$500,000	\$24,000	21
Casino Hotel	\$1,870,837	\$24,000	78
	\$2,370,837		99

Source: HSP

The second phase of redevelopment is expected to add another 100 jobs to the local economy for a total of nearly 1,140 new jobs. We believe these numbers to be very conservative.

Section 3. Case Studies

Part of understanding the power of vision, leadership and action related to creating a vibrant downtown is understanding the keys to success of other similar cities. This section includes analysis of how other cities with downtowns like St. Joseph’s have been transformed by the very process St. Joseph is undertaking at this time. The analysis will show what steps were taken and how obstacles were overcome to make their vision a reality.

The following table provides a summary of some of the key data points for the comparable set.

Table 19

Comparable Development Key Data Facts					
City	Population	Major Stakeholders	Year Planning Began	Year of Plan Implementation	Expected Term of Implementation
Tyler, Texas	108,772	City of Tyler, Heart of Tyler Main Street	2006	2007	20 Years
Kalamazoo, Michigan	77,145	City of Kalamazoo, Downtown Kalamazoo Incorporated	2008	2009	Ongoing
Asheville, North Carolina	73,875	City of Asheville's Downtown Commission	2008	2009	16 Years
Wausau, Wisconsin	38,912	City of Wausau, Wausau Community Development	N/A	N/A	Ongoing

Source: HSP

The cities profiled represent a range in population, yet all are relatively small communities outside the direct influence of a major metro area (unlike large suburbs). The largest of the four comparable cities is Tyler, Texas with 108,000 people in its Metropolitan Statistical Area (MSA). Kalamazoo, Michigan and Asheville, North Carolina each have approximately 75,000 people while Wausau, Wisconsin has a population of approximately 40,000. Tyler, Kalamazoo and Asheville have developed comprehensive plans for downtown revitalization in the past three years, although their downtown planning processes started years before.

The following includes four processes undertaken, which are discussed and implications for St. Joseph are offered.

Tyler, Texas

The City of Tyler is located in Smith County, Texas, approximately 100 miles due east of Dallas toward the Louisiana border. In 2000, the population was 83,650. The city experienced significant growth over the following eight years, increasing its population to 108,772, according to 2008 estimates. Tyler is known as the “Rose Capital of America” due to its large role in the rose-growing industry. About 20 percent of commercial rose bushes are grown in Tyler.

The image below is of historical downtown Tyler from the 1920s, during a former period of strength.

Figure 10



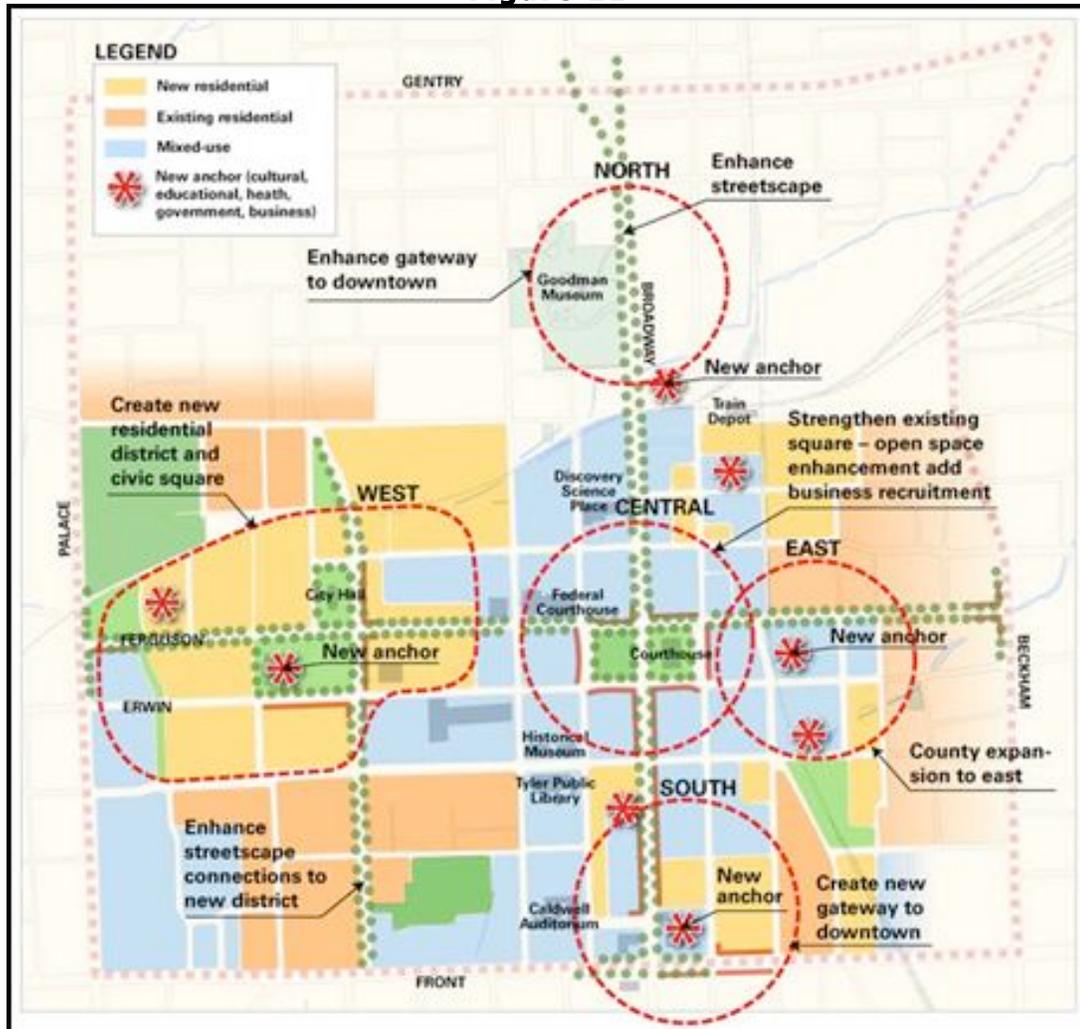
In 1987, a group of citizens concerned about the decline of downtown Tyler formed Heart of Tyler, a non-profit organization that has worked with existing groups to plan, promote and coordinate goals for downtown. In 1990, the Texas Historical Commission offered a Main Street program for cities with populations over 50,000. Heart of Tyler then became the Heart of Tyler Main Street Program. The City of Tyler, along with the Heart of Tyler Main Street decided to put a plan into action to help revitalize their downtown area.

Between 1990 and 2007, the Heart of Tyler Main Street organization implemented programs developed by the Texas Main Street Program that provided architectural services for downtown businesses and property owners, business development services, creating special events and festivals as well as overall downtown design improvements. These incentives are still available through the organization.

The Plan/Vision – The City Council of Tyler unanimously voted to adopt the Tyler 21 Plan in 2007. The 20-year plan's goals are to create a destination downtown by developing new housing, preserving the city's historic buildings, shaping future growth, creating partnerships with local businesses, and improving the overall public realm. Through a number of improvement plans, the mayor of Tyler, the City Council and the Heart of Tyler Main Street work together to strategize and implement these changes.

The image below shows a map of the area improvements.

Figure 11



Implementation – The general goals of the Tyler 21 Plan were decided by the city and the Tyler 21 steering committee. As development projects come up, the committee interviews the developer and analyzes their track record, conducts due diligence, generates a pro forma and discusses funding. Projects are then measured against the committee’s target market and desired uses for downtown. The incentives or participation provided by the city is determined on an individual basis, depending upon merits.

The establishment of a TIF district has been a crucial factor in the revitalization of Downtown Tyler. Tax Increment Financing was established through adoption of an ordinance by the City Council in 2001 that created a tax increment reinvestment zone (TIRZ). The TIRZ is located in downtown Tyler and is 382 acres and is

comprised primarily of commercial and industrial properties. TIRZ captures the tax revenue from incremental increases in the property values in the area. In addition, the TIRZ captures 1.0 percent of the 1.5 percent sales tax increment in the same area on top of the base year collections. The amount of property tax and sales tax increment that is captured is then directly reinvested back into the TIRZ in the form of public improvements, revitalization and infrastructure projects. The TIRZ is projected to generate approximately \$31.5 million over a thirty-year period. This revenue will be reinvested back into the zone. A board of directors is appointed by the City Council and will make recommendations on how the funds will be reinvested in the zone. The TIRZ Board is comprised of one appointee from each taxing jurisdiction that levies taxes on the real property in zone.

The Tyler 21 Plan has directed its focus on revitalizing the residential market downtown. Retail stores are virtually absent from the downtown area, but the office market remains strong with about 3,000 downtown workers. Stakeholders feel that building a strong residential base is vital to growth in other arenas.

Results – Many of the Tyler 21 Plan improvements have only recently gone into effect and most are still pending, so it is difficult to measure the results from the plan. The partnership between the City of Tyler and the Heart of Tyler Main Street group will be vital in stimulating interest in development downtown. The City of Tyler will continue to invest general funds, utility funding, and TIF/TIRZ money into infrastructure improvements. Within the past year, Downtown Tyler has seen a significant amount of growth due to the Tyler 21 Plan. The city invested \$1.67 million for land purchases and infrastructure improvements to streetscapes and facades. In comparison, there was approximately \$30 to \$40 million in private investment.

Since the implementation of the Tyler 21 Plan, 90 residential units have opened. This includes above street-level units and affordable housing. The total number of residential units downtown is currently 188 units. This is a 92 percent increase in two years. In addition to housing units, two restaurants have opened downtown in the past year.

Implications – The revitalization of Downtown Tyler has been a 20-year process that was originally the focus of a non-profit group. Stakeholders and city institutions remain optimistic about the future success of downtown growth in Tyler. The main focus for downtown redevelopment in Tyler is to stimulate growth in their residential market. Focusing their attention on acquiring growth in one arena will eventually spark interest in developing other additional uses, retail in particular.

The Tyler 21 Plan's advisory committee reviews each development project in the downtown district to determine if the project matches the goals and interests of the downtown plan. The incentive provided by the City of Tyler is determined per individual project. The City of St. Joseph could decide to use an advisory board in the same manner to review proposed projects and determine how much incentive to provide.

Kalamazoo, Michigan

Located in southwestern Michigan, Kalamazoo's population was 72,100 in 2008 with an MSA population of 323,713, including its neighboring city, Portage. Kalamazoo is located on the Kalamazoo River and is home to Western Michigan University, the fifth largest public education site in the state. Kalamazoo has nearly the same population as St. Joseph's, however the student body of Western Michigan is about five times the size of Missouri Western State University. Both cities are located over an hour from a major urban area; Kalamazoo is located between Chicago and Detroit. It considers itself to be the economic center of Southwest Michigan.

Before the Vision – Kalamazoo opened the nation's first downtown pedestrian mall in 1959, helping downtowns compete with the rise of suburban malls. The pedestrian mall still contains some retail elements; however, part of the development has been converted into a two-way street to allow for easier traffic flow downtown.

The image below shows the activity at the Kalamazoo Pedestrian Mall in 1960.

Figure 12



By the late 1980's, downtown Kalamazoo was plagued by failing businesses and lifeless streets. Downtown Kalamazoo Incorporated (DKI) formed in 1989 to encourage economic development. DKI is a private, nonprofit corporation that works with both the public and private sectors to establish a vibrant community downtown.

The Plan/Vision – The City of Kalamazoo prides itself on its innovative ideas. Kalamazoo initiated the 1996 Downtown Plan to help stimulate growth in the retail, residential and office markets. The comprehensive plan helped establish the Building Revitalization Program, the Five Year Parking Plan and Downtown Design Guidelines.

The 2009 Downtown Comprehensive Plan is an updated version of the 1996 plan and includes programs such as the Business Recruitment and Retention Incentive Program (BRRIP) and the Retail Incubator Program. The 2009 Downtown Kalamazoo Comprehensive Plan was developed after surveying 450 Kalamazoo residents representing special interest groups as well as the general public. DKI and the City of Kalamazoo were able to determine what residents felt were the most important factors in the outcome of a new downtown vision. From this, DKI developed several transformative projects that included infrastructure work, new housing elements, mixed-use developments, and employment growth as well as entertainment and retail development.

Active private investment and public support was key for downtown development in Kalamazoo. DKI has developed a number of plans along with their sub-entities of Downtown Tomorrow Incorporated (DTI) and DKA Charities, as well as the public entity of Downtown Development Authority (DDA). Downtown Tomorrow Incorporated is a private non-profit entity that serves as the real estate developer. DTI owns several properties in downtown Kalamazoo. DKA Charities is a private, non-profit entity that helps raise funds by establishing events such as Great Winter Adventure, Safe Halloween, KidsFest, and Mixer on the Mall. Finally, a group of public and private civic leaders formed Another Bold Idea (ABI) during the early 2000s to think 'big' thoughts about downtown development, including the potential development of a convention center, convention hotel, arena and performing arts center.

DDA is a public body created by City charter and enabled by the state. The DDA is the entity that levies taxes on downtown properties for downtown projects and collects taxes from the Tax Increment Financing (TIF) district. Revenues go back into downtown services. This group manages the parking system and provides the resources for downtown marketing, business recruitment, and brick and mortar projects.

DKI has a positive relationship with the DDA. DKI has struggled with converting many of the one-way streets to two-lane streets. Retail businesses have fought to convert many of the downtown streets in order to slow traffic and allow for easier access for clients. Retailers expressed that shoppers often get lost due to the one-way streets downtown. Several studies have been conducted between 2003 and 2006, but little action has occurred. However, South Burdick Street and South Rose Street were two streets that were converted from one-way to two-way.

Implementation – The Building Revitalization Program (BRP) offers grant money to approved projects to assist property owners and businesses with design support, façade improvement, and building rehabilitation within the downtown development district. The program has awarded 70 grants and \$2 million to approved projects. BRP includes the Design Assistance Program and the Façade Improvement Program. The Design Assistance Program provides an incentive for property owners and/or tenants to seek professional design assistance in the rehabilitation of commercial buildings in downtown Kalamazoo. The program covers up to 80 percent of design services, up to \$3,000 per project. Applicants must contribute 20 percent of total cost, paid prior to disbursement of DDA funds. The Façade Improvement Program is

intended to create consistency in design, materials, and architectural character, thereby enhancing the physical appearance of downtown Kalamazoo streetscapes. The Façade Improvement Program provides funding for up to 50 percent of the project cost, up to \$25,000 per project.

The Business Recruitment and Retention Incentive Program (BRRIP) supports businesses downtown. BRRIP provides new businesses with \$0.60 per square foot of occupied space, expanding business with \$0.40 per square foot, and relocating businesses with \$0.20 per square foot. The Retail Incubator Program provides retail businesses with 18 months of subsidized rent. For the first six months the program provides a 50 percent subsidy, or \$830 per month maximum. For months seven to 12 the program provides a 33 percent subsidy, or \$560 per month maximum, and for months 13 to 18 it provides a 17 percent subsidy or \$275 per month maximum. The Retail Incubator Program also assists retail businesses with training in the fields of merchandise management, marketing, human resources, financial management and customer service.

The image below shows the skyline of downtown Kalamazoo today.

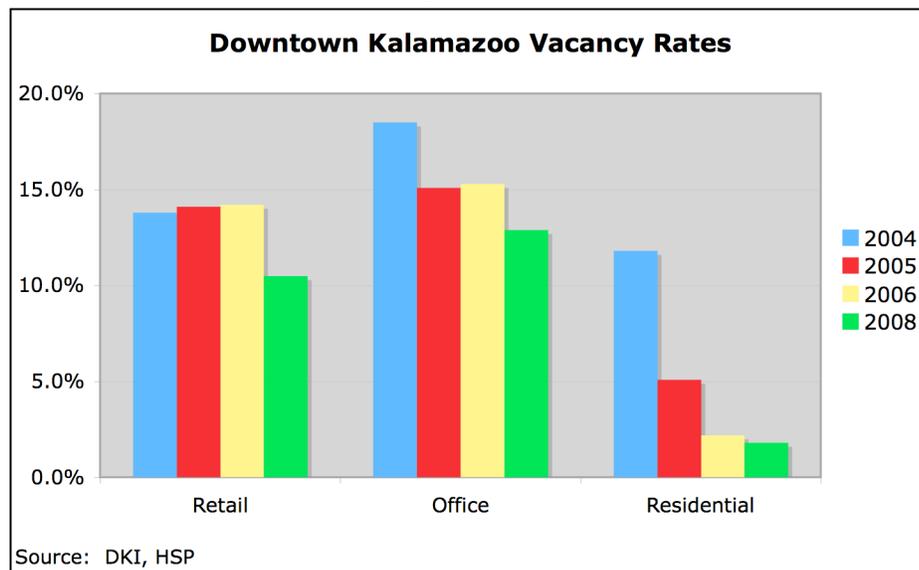
Figure 13



Results – Downtown Kalamazoo has seen growth in its residential population as well as other investments and improvements. Since the late 1990s, the number of residential units has doubled. There are about 350 units downtown with a population of roughly 1,200 people. It appears that demand still exists for more residential development.

The figure below shows vacancy rates for office, residential and retail space in Downtown Kalamazoo.

Figure 14



In 2008, the vacancy rate for housing in downtown was only 1.8 percent. Retail is also a strong element downtown. The vacancy rate for retail was 10.5 percent, a 30 percent decline from the prior year. Over 40 new restaurants and entertainment venues have opened since 1999.

Office vacancy has also continued to decline from 2004 through 2008, decreasing from 18 to 13 percent over the period.

The creation of a festival site along Arcadia Creek also began attracting new investment to downtown. The Arcadia Creek Project opened in the mid-1990s after flood prevention efforts and walkways were established. The total cost of the Arcadia Creek Festival Place was \$2.7 million. In 2008, 150,000 people attended 42 different events at Arcadia Creek Festival Site.

Several other catalytic projects were also suggested, including a convention center, a downtown arena and a performing arts center. To date, all have been studied and the arena appears to be the project with the most momentum. Downtown Kalamazoo's other transformative projects include a new medical and research village that will encourage job growth. Another possible project is a riverfront redevelopment/beautification project, with surrounding retail and residential units. Other suggestions include developing unused parking lots, infrastructure and streetscape improvements including the conversion of many one-way streets downtown to two-way, and additional mixed-use and residential development projects. More than 300,000 square feet of available residential property development space exists above retail and commercial units available for development.

DKI has worked to improve the parking situation downtown. Recently, the Five Year Parking Plan was developed to improve parking technology and build two new parking ramps. Downtown Kalamazoo has been able to provide parking subsidies for residents living downtown.

Nearly 45 percent of Kalamazoo residents said that they visit downtown at least once a week and 36 percent of those who visit do so to shop. About 85,000 people visit Kalamazoo each year and spend, on average, \$180 million per year. The city's major art center was recently renovated and expanded and art galleries have opened in the downtown area. Private investment downtown was sparked by the Arcadia Creek Project, which has been credited with nearly \$200 million in additional community investments. Over the past ten to 15 years, it is reported that there has been \$500 million in private investment downtown.

Implications – Development in Downtown Kalamazoo over the last ten years supports the idea that in order to assist sustainable growth downtown it is important for public and private entities to collaborate. Downtown Kalamazoo has introduced a number of incentives to stimulate growth downtown including assistance including façade redevelopment and streetscape improvements with the Building Revitalization Program, assistance with the Downtown Design Guidelines and providing business training with the Business Recruitment and Retention Incentive Program. Through the city's numerous plans and programs including revitalization efforts, professional business development training and TIF assistance, Kalamazoo has been able to create significant growth downtown. Retail and residential markets have taken off while the office market lags behind the national average. It is important that more than one market experiences growth to maintain a sustainable community with several uses. Since implementing plans of action, Downtown Kalamazoo has become a community with a diverse group of people, businesses and events.

Asheville, North Carolina

Asheville is the largest city located in western North Carolina. In 2007 the U.S. Census estimated the population of the City of Asheville to be 73,875, while the four-county MSA population was estimated to be 408,436 in 2008. Asheville is located at the confluence of the Swannanoa River and the French Broad River in the Blue Ridge Mountains. The City is home to the largest privately owned residence in the U.S., the Biltmore Estate, which encompasses 175,000 square feet and 250 rooms.

Below is an image of one of downtown Asheville's summer festivals.

Figure 15



Before the Vision – The town of Asheville was founded in 1784 with the settlement of the Swannonoa Valley. By 1790 there were 1,000 residents, and the settlement was renamed Asheville after North Carolina governor Samuel Ashe. The city grew as a leisure destination in the late part of the 19th Century, especially after George Vanderbilt developed the Biltmore Estate. In the early 1900s the city grew even more due to the asylums in the area established to treat victims of tuberculosis, based on the belief that the fresh mountain air had curative effects. The growth throughout the early part of the 20th Century had little planning or unified vision.

Below is a historic image of Downtown Asheville.

Figure 16



Downtown Asheville has seen a number of changes in the past 25 years due to several major efforts to revitalize and rejuvenate the central business district. A number of plans have been implemented in the past including the Asheville Downtown Streetscape Plan in 1991, the Comprehensive Parking Study in 1998 and the Center City Plan in 2002. These plans have provided the city with some guidance to achieve growth, but the growth that was produced has not been as sustainable or significant as Asheville had hoped.

One success that Asheville experienced was development of the River Arts District. The city received \$400,000 from a federal Brownfield Grants to distribute in the River District, located southwest of downtown. The once blighted community has been revitalized by local business geared towards the arts. The River Arts District has a vibrant and active arts community where once vacant lots were abundant, cementing the city's reputation as one of the best cities for arts and artists. The city hopes this development will provide future growth for the area as well.

The Plan/Vision – Though Asheville has seen a number of positive improvements in the downtown area; the city continues to encourage growth and economic development. The Asheville 2025 concept was established in an effort to continue adding business, retail and entertainment to downtown. The Asheville City Council recently approved \$170,000 in funding for the Downtown Commission's proposed plan.

The city held several meetings in 2008 to explain the plan's structure to the community and get their feedback in order to improve the objectives of the plan. The Asheville City Development Plan 2025 was finalized in January 2009. It proposes a

land use pattern, transportation network and system of City services and infrastructure that reflects community desires and wishes concerning the future growth of the city. The goals and strategies typically require separate actions on the part of City Council, city staff, or other boards and agencies. The plan hopes to stimulate sustainable growth by offering incentives from the city based on leveraged tax revenues from new development, matching funds from the city, county and local foundations, earned income revenues from services and events and property tax revenues. The incentives provided by the city will go towards infrastructure improvements and improvements in transportation. The city hopes to create more parking spaces downtown and to revamp their current transportation system, which is used by 1,000 people per day or 2.5 percent of the citywide population. The city also hopes to become more bicycle-friendly by creating bike lanes on downtown streets.

Implementation – The City of Asheville has developed a number of programs to help stimulate local business. Officials also have implemented the Economic Development Incentives Policy, which helps provide assistance to companies looking to relocate to downtown in an effort to expand industries and businesses there. Some of the programs that the city offers businesses include Industrial Development Grants, a Business Development grant and the Infrastructure Development Program. The downtown corridor presently houses 12.5 percent of business establishments in the Asheville MSA and 15.1 percent of the overall employment, and while this figure shows that downtown has a vibrant business community, the city continues to seek business growth in the downtown corridor.

Asheville and other cities in the state of North Carolina have a challenge that cities of other states avoid. The application and approval process to obtain permission for a TIF district in North Carolina is a difficult undertaking. Asheville has not been able to implement a TIF district downtown. Only two cities in the state have been granted a TIF district.

The City of Asheville has reviewing committees that select which proposed downtown projects will become reality. The Technical Review Committee (TRC), the Planning and Zoning Commission and City Council each review proposed plans depending upon the project level. Proposed projects are divided into three levels. Level I consists of projects that are less than 35,000 square feet or less than 20 residential units. These projects are reviewed by city departments including Planning and Development, Fire, Public Works, Engineering, Building Safety and Water for approval. Level II includes projects between 35,000 to 100,000 square feet or 20 to 49 residential units. The TRC reviews these project plans for approval. Level III projects are greater than 100,000 square feet or 50 or more residential units. The TRC, the Planning & Zoning Commission and City Council each review these projects for approval.

Results – Downtown Asheville has been somewhat disappointed in the results thus far, which can be attributed to a lack of incentive tools available to offer developers. However, they are attempting to revitalize their downtown with the Center City Plan. According to city officials, downtown's growth has lagged behind the national average, yet improvements have been made to the plan and the city remains

optimistic that the Asheville 2025 Plan will stimulate growth in different arenas including the office and retail markets as well as residential. Several private developers have proposed building more residential units downtown, including two buildings over fifteen stories, a mixed-use building with hotel rooms and condos, and a residential tower. These plans fell through due to lack of demand for more residential units. Plans for another eighteen-story hotel also never became reality.

Implications – Although Asheville has not seen a significant amount of growth, its downtown remains vibrant and active. One of the main features of the Downtown Master Plan is the inclusion of organized committees that review and approve various projects proposed for downtown. The review board is chosen based upon the size of the project and approval is determined by at least one board of review.

Wausau, Wisconsin

The City of Wausau is located in Wisconsin's largest county, Marathon County, in the north-central part of the state. The population of Wausau was estimated at 38,912 in 2005 with 85,000 in the metro area. The Wisconsin River flows within a few blocks of downtown Wausau. The downtown is situated on a linear grid with the pedestrian friendly 3rd Street as its central spine.

Below is an image of the Wausau skyline and the Wisconsin River.

Figure 17



Before the Vision – The revitalization of downtown Wausau is a two-part story, with one phase of restoration in the late 1970s and another in the 1990s. Beginning

in the late 1970s, through private investment in partnership with the City, an enclosed shopping mall with nearly a half-million square feet of space was built to help stimulate growth downtown (an additional 6,000 square feet of space was constructed in 1995). The mall encompassed eight city blocks and included two parking structures. Three anchor tenants, Sears, JCPenney and Yonkers, were built and remain intact to date along with 65 other retail shops. The land was leased from the city and the municipality built both parking structures. Contrary to the city and developer's intentions, very little growth downtown occurred after the mall was developed.

Located downtown, the Landmark Building was converted from a hotel to senior housing in the late 1970s. The 111-unit building remains senior housing to date and its residents have noted that the recent renovations to the downtown area have improved access to downtown shopping and added security.

The Plan/Vision – Founded in 1976, the Wausau Community Development (WCD) organization, in partnership with local agencies and nonprofit organizations, provides a variety of grant and loan programs that strengthen housing, promote downtown revitalization and provide economic development assistance. WCD has developed a number of programs to help revitalize the downtown area and the local community. The Neighborhood Revitalization program assists neighborhood organizations with planning, building rehabilitation, crime reduction, Brownfield elimination, parks and recreation development. WCD also provides grants and loans through the Housing Rehabilitation Program, Rental Rehabilitation Program, Façade Renovation Program, Micro-Loan Program and Revolving Loan Fund. The Housing Rehabilitation Program provides funding for low to moderate-income homeowners for necessary home improvements by providing low-interest deferred loans, on a first-come, first-serve basis. The Rental Rehabilitation Program provides funding for landlords owning property downtown for renovations.

WCD offers loans for various types of situations including down payment and rehabilitation programs for housing and commercial property. Revolving Loan Funds are available for projects that create and retain private sector jobs, increase tax base and leverage private investment. The Micro-loan program was developed to help new and expanding small businesses in downtown Wausau. This low interest, short-term program serves a need for local business owners who need to fill a gap with commercially approved loans, acquire working capital for special projects, or to purchase equipment. In addition to local incentives, the city's Community Development Department administers federal block grants.

Implementation – The most recent phase of downtown development took place in the mid- to late-1990s when a local insurance company (no longer in business) moved downtown. The 110,000 square feet of office space triggered significant development. Compass Properties began rehabilitating buildings downtown and creating residential developments. In partnership with Inn Development & Management and the City of Wausau, Compass built the Jefferson Street Hotel, which opened in 2005 and consists of a 100-room hotel with additional office and retail space. The city contributed nearly \$3.3 million to the \$14 million project for infrastructure work and some construction costs. The hotel recently underwent an

expansion and now includes banquet facilities. The incentives that the city provided helped to spark private interest.

Results – Most investment in downtown Wausau has been from private developers with some contribution from the local municipality. With most major projects taking place in downtown Wausau, the city has contributed about \$250,000 to \$500,000 for infrastructure improvement. The City acquired a block along 3rd Street with a vacant, unused mid-rise, which it bulldozed and plotted with grass. The block became a city park where downtown concerts and other events are hosted.

The image below shows downtown Wausau.

Figure 18



Growth in downtown Wausau has been fairly slow in recent years, but developers and business owners are seeing a positive growth pattern. The Washington Square residential property developed by Compass Properties, a pedestrian mall recently renovated to include retail and two-story town houses overlooking the mall, has seen about an 80 percent residential occupancy rate. Compass Properties invested over 10 million dollars into the four buildings that encompass Wausau's pedestrian mall. Many other private corporations have shown interest in housing development in downtown.

Implications – Although the City of Wausau never developed a thorough downtown plan, city officials have been able to implement a number of development incentives for private developers to spark growth in the downtown area. Wausau has been nationally recognized for its active downtown community despite having no major

public stimulus plan for redevelopment. City officials have developed some loans, grants and a number of revitalization programs that have encouraged private developers to rehabilitate Downtown Wausau.

Section 4. Conclusion

No one city has had a perfect experience with downtown redevelopment, although the hallmarks of success include (a) agreeing on the investments and vision; (b) having at least one tool that allows the public sector to provide incentives to private developers, and (c) a very strong process for allocating or allowing those dollars to be spent so that the vision is adhered to and only qualified developers are chosen. St. Joseph has already approved tools for incentives, so it must agree on the vision for downtown (which this document attempts to do) and set up a strong review/testing process for individual project investments. For larger projects, a developer selection process is recommended.

The execution of a comprehensive vision can transform downtown St. Joseph into a place with more destination appeal than it has currently. Each component discussed in this report is expected to have a positive draw to bring people downtown, whether it is to live, to work, or to play. Downtown activity is key to the success of sustained economic and cultural growth in any downtown, and with the vision that St. Joseph has been presented it can certainly achieve that growth in the years to come if it remains proactive in redeveloping existing property and developing new property.

Next Steps

The next steps for implementation of this plan are many and vary by project, however, there are certain principles that apply to most projects.

Step 1 – Identify the Specific Projects and Land/Building Parcels necessary for redevelopment of each project.

Step 2 – Acquire the Land and Buildings necessary to put the City or Redevelopment organization in a position of master developer. Without publicly-owned redevelopment parcels, the City will not have the leverage to attract private developers.

Step 3 – City Becomes the Master Developer. Once land has been acquired, the City or Redevelopment Agency should take a methodical approach to redevelopment via RFQ and RFP processes, creative ground leases, and other tactics utilized in other successful communities.

This is the start of the implementation phase and will require continued leadership by the City, as well as technical and legal advisory.

Exhibit A.

Previous Studies Conducted and Stakeholder Surveys

Eric Hovee Report – Downtown St. Joseph Retail Strategy, September 2006

PGAV Report – Focus Group Survey, May 2007

PGAV Report – Residential Demand Analysis, October 2007

Hunden Strategic Partners Report – St. Joseph Convention Center, Hotel, & Civic Arena Strategy, November 2007

PGAV Report - Downtown Map Reference Handbook, March 2008

City of St. Joseph – 10 Building Blocks, Downtown Revitalization, December 2008

PGAV Report – Downtown Redevelopment Plan & Project – TIF, April 2009

PGAV Report – CID Communication Pan, August 2009

Exhibit B.

List of Activities and Major Events Prompting Downtown Revitalization

- The DREAM Initiative
- St. Joseph City Council designated Downtown Revitalization one of its top seven goals
- St. Joseph City Council Approval of the Downtown TIF District
- St. Joseph City Council approval of Downtown's Revitalization's 10 Building Blocks

Exhibit C.

Supplemental Downtown Initiatives

- St. Joseph is working with the State of Missouri on revisions to the Hotel/Motel Taxes to collect additional revenue.
- A moratorium is set on the number of bars that can be located in certain parts of downtown.
- The City is establishing a Quiet Zone downtown to reduce noise disturbances.
- The City has studied the feasibility of a convention center and hotel downtown.
- The City is adopting a Downtown Master Plan.
- A downtown Property Inventory is used to understand all parcels downtown for future development.
- Downtown Parking has been studied and the City will move forward on a parking strategy.
- A Retail Strategy Report was done for the City and the City is beginning implementation.
- The City is establishing incentives to stimulate private investment.
- The Streetscapes of downtown are beginning to be redeveloped.
- One-way streets are being converted to two-way streets and new signage
- The City's building code is to be redrafted to avoid unnecessary barriers of redevelopment.

Exhibit D.

Description of Funding Tools

Based on the costs established in the previous section, the analysis will focus on the sources of funds to pay for the vision. A block-by-block approach was used to determine the revenues that would be generated from new development to pay for the public's portion of the vision.

The four funding tools to be analyzed include:

- Community Improvement District (CID);
- Missouri Downtown Economic Stimulus Act (MoDESA);
- Tax Increment Financing (TIF);
- Hotel Occupancy Tax.

Community Improvement District (CID)

A Community Improvement District (CID) is typically a public-private partnership used to revitalize center cities. It is an effective tool for funding improvements that directly enhance property values by allowing property owners to determine how funds are spent in their area. Typically the fund amounts are relatively small and are used for "clean and safe" enhancements, such as street cleaning, façade improvements, and visible security. A CID is a geographically defined district (may be either a political subdivision or a not-for-profit corporation) in which commercial property owners vote to impose a self-tax. Funds are then collected by the taxing authority and given to a board of directors elected by the property owners. The proceeds can fund a wide range of public-use facilities and establish managing policies and public services relative to the needs of the district. Such public uses include:

- Convention centers, arenas, meeting facilities, pedestrian or shopping malls and plazas;
- Paintings, murals, fountains, or kiosks;
- Parks, lawns, gardens, trees, or other landscapes;
- Streetscapes, lighting, benches, marquees, awnings, canopies, trash receptacles, walls;
- Lakes, dams, and waterways;
- Sidewalks, streets, alleyways, bridges, ramps, tunnels, traffic signs and signals utilities, drainage works, water, storm and sewer systems, and other site improvements;
- Parking lots, garages; and

- Child care facilities and any other useful, necessary, or desired improvement.

A CID may also provide a variety of public services, some of which may be:

- Operating or contracting for the operation of parking facilities, shuttle bus services;
- Leasing space for sidewalk café tables and chairs;
- Providing trash collection and disposal services;
- With consent of the municipality, prohibiting or restricting vehicular and pedestrian traffic and vendors on streets;
- Within a designated “blighted area,” contract with any private property owner to demolish or rehabilitate any building or structure owned by such property owner; and
- Providing or contracting for security personnel, equipment, or facilities.

In Missouri, a CID request petition must be signed by property owners owning at least 50 percent of the assessed value of the real property, and more than 50 percent per capita of all owners of real property within the proposed CID must be presented for authorizing ordinance to the governing body of the local municipality in which the proposed CID would be located. However, the CID is distinct and apart from the municipality that creates the district. The petition must include a five-year plan that describes:

- The purposes of the proposed district;
- The services it will provide;
- The improvements it will make;
- An estimate of the costs of those services and improvements and how they will be funded; and
- The maximum rates of property taxes, special assessments and sales taxes that may be imposed within the proposed district.

Other information must state how the CID would be organized and governed, and whether the governing board would be elected or appointed.

As stated above, funding of CID projects and services must be set forth in the requesting petition that is presented to the local governing body of the municipality in which the CID is located. Funding may be accomplished by district-wide special assessment, rents, fees, and charges for the use of CID property or services, grants, gifts, or donations. If the CID is organized as a political subdivision, property and sales taxes may also be imposed within the boundaries of the CID.

In this case, a CID including a 1.0 percent sales tax is being considered.

Missouri Downtown Revitalization Preservation Program (MoDESA Light)

The Missouri Downtown Revitalization Preservation Program functions to facilitate the redevelopment of downtown areas and the creation of jobs. A portion of the new state and local taxes created by a project can be redirected to fund eligible public infrastructure and related costs for a period of up to 25 years. These include income taxes, sales taxes, and property taxes.

Areas that are eligible under MoDESA include “central business districts” that are either “blighted” or a “conservation area.” At least 50 percent of the buildings must be 35 years old or older. While any municipality with a median household income of \$62,000 or less can qualify for MoDESA, only those municipalities with a population of 200,000 inhabitants or less AND a median household income of \$62,000 or less can qualify under MoDESA Light. Similar to MoDESA, MoDESA Light qualifying projects can be “community enhancement” or for “job creation.” More than one project can qualify for MoDESA funds, but if a different developer builds each project, separate applications for each must be completed.

Total project costs and/or new job creation minimums are based on the population of the municipality, as shown in the following table.

Table 20

MODESA Light	
Population of Municipality	Estimated Project Costs
100,000 to 199,999	\$5,000,000
50,000 to 99,999	\$1,000,000
10,000 to 49,999	\$500,000
1 to 9,999	\$250,000

Source: Missouri Dept. of Economic Devel.

In order to qualify under MoDESA, a project must include a market study of the development. The market study will assess the project, make projections of new revenue streams, and estimate the impact in jobs, new spending, and new taxes generated.

After review of the consultant’s report, the Department of Economic Development (DED) presents an analysis and recommendation to the Missouri Development Financial Board (MDFB). DED's recommendation for approval by MDFB is based on criteria that include:

- Meeting all eligibility requirements;
- Demonstrating the need for the public infrastructure in order for the project to occur;

- Demonstrating the need for the funding, such that the projected return on investment by the developer is below market standards without state/local subsidy, and that such subsidy is the least amount necessary to cause the project to occur;
- Demonstrating that the developer/businesses can successfully implement the project based on prior experience and financial viability;
- A positive net state fiscal benefit (deducting all state costs/incentives related to the project); and
- Availability of funding based on state appropriations.

A funding decision will be made by MDFB. If a project is approved for funding by MDFB, DED will issue a Certificate of Approval outlining the terms of the funding. With MoDESA Light, local officials can administer the program.

Tax Increment Financing

Tax Increment Financing (TIF), is a procedure by which Missouri municipalities may financially encourage redevelopment of a designated, economically marginal area. TIF allows the use of a portion of the new and additional property and sales taxes generated for a limited number of years after construction is complete to help pay for the redevelopment. St. Joseph recently passed a downtown TIF.

The first step to organizing a TIF program is to create a TIF Commission. The TIF Commission is authorized by ordinance of the local governing body, which will also act in the selection of a portion of its membership. The TIF Commission receives proposals, engages studies of proposed projects, conducts required public hearings, and eventually makes its recommendation to the governing body of the municipality. Such recommendation usually requests the governing body to adopt a comprehensive community Redevelopment Plan, likely including a specific Redevelopment Project(s), within a designated Redevelopment Area.

The following information must be included in a TIF Redevelopment Plan:

- Estimate of redevelopment project cost;
- Anticipated sources, types, and terms of funds to pay project cost;
- Evidence of commitments to finance project costs;
- Most recent equalized assessed valuation of property within the redevelopment area subjected to payment-in-lieu-of-tax or economic activity tax;
- Estimate of the equalized assessed valuation after redevelopment; and
- The general use of the land in the redevelopment area.

Once the Redevelopment Plan is in place, a Redevelopment Area must be defined. A Redevelopment Area must contain property classified as either a blighted, conservation, or economic development area, or any combination thereof. The entire

Redevelopment Area need not qualify under the criteria of one of the three property classifications; however, it must be shown to receive "substantial benefit" by the redevelopment project or projects that would be built within its borders.

Eligible uses of TIF funds may be used to pay all necessary and reasonable costs incurred in a redevelopment project. Some cost examples include:

- Costs of studies, surveys, and plans;
- Professional service costs such as financial advisory fees;
- Land acquisition, demolition costs;
- Rehabilitation of existing buildings;
- Costs of new or improvements to existing public works infrastructure such as streets, lighting, and parking;
- Funding costs such as capital interest, underwriting fees, bond printing, etc.;
- Relocation costs;
- Initial costs for an economic development area;
- A taxing district's capital costs resulting from the redevelopment project; and
- Payments in lieu of taxes.

To be eligible for State TIF, the underlying local TIF must dedicate at least 50 percent of the amount of the new local sales tax revenue and 100 percent of the amount of the new real property tax revenue created by the project each year for which state TIF is sought. An applicant may be approved to receive up to 50 percent of the net new state sales tax revenue (general revenue portion only; excluding dedicated taxes) generated in the project area or up to 50 percent of the increase in state income tax revenue from net new jobs in the project area. An applicant cannot receive both. State TIF may be awarded for a period of up to 15 years (a longer period may be requested, but not to exceed 23 years).

As stated, the limitation of State TIF versus MoDESA is that with State TIF the benefit can include only 50 percent of either the use taxes or income taxes, but not both, and is limited to a shorter period of time. Therefore this funding mechanism would generate a smaller overall impact than applying MoDESA.

Hotel Tax Increase

A final source of potential revenue for the project is a local increase in the hotel occupancy tax. Currently only three percent is assessed (plus normal sales taxes of 7.475 percent), bringing the total current tax to 10.475 percent. The city has state enabled legislation option to increase the tax to eight percent, with voter approval.

Exhibit E.

City Council Approvals

(Attached)

MINUTES OF THE COUNCIL PLANNING & ZONING COMMITTEE MEETING

November 29, 2006 - 4:00 p.m.
4th Floor Conference Room - City Hall

The Council Planning & Zoning Committee held a meeting to discuss the following: 1) Uptown Redevelopment Project update; and 2) Other planning and zoning related issues.

Attending: Committee members Donna Jean Boyer, Chairman, Bill Falkner and Barbara LaBass; Mayor Ken Shearin and Councilmembers Roger E. Baker, Mike A. Bozarth, Mike Hirter and Gary Roach.

Clint Thompson, Planning & Community Development Director; Chris Connally, Police Chief; Sam Barber, Customer Assistance Director; Carolyn Harrison, Financial Services Director; Roger Sparks, City Engineer; Mary Robertson, Communications Manager; Chuck Kempf, Project Manager; and Paula Heyde, City Clerk.

Councilmember Donna Jean Boyer, Chairman, called the meeting to order and introductions were made.

Agenda #1 - Uptown Redevelopment Project update. Clint Thompson, Planning & Community Development Director, said this annual report is one of the tax increment financing requirements.

John Wilson, Secretary/Treasurer of Uptown Redevelopment, and Jay Leipzig, Uptown Revitalization Center, gave a power point presentation (copy attached).

Councilmembers Roger E. Baker and Mike A. Bozarth arrived during the beginning of the presentation.

Mr. Wilson distributed and reviewed a developer conceptual drawing of the proposed redevelopment site plan.

Chairman Boyer asked about using local labor on the construction of this project. Larry Buck, Prudential Summers Realtors, said he was asked by the developer to locate and interview a local contractor to do the custom finish work. That contractor has been chosen but the deal has not been closed yet. The suppliers and subcontractors will be local. He called some of the major developers and builders around St. Joseph about forming a group for this project and he couldn't get their attention.

Mayor Shearin said a project of this magnitude should have the Council's involvement. Mr. Buck said the Council will be asked to extend the boundaries of the precise plan to include this entire project so that there is overview through the entire process. There will be tremendous opportunity for the Council to have oversight as this project goes down the pike.

Councilmember Hirter would like to get the word out that the previous Council did not give this project unlimited power of eminent domain. Mayor Shearin said he is one of the biggest opponents of eminent domain, but one of these days something is going to have to happen if this City is going to continue to grow; there is no other way to reclaim the older neighborhoods without taking some actions that mean something other than patronizing comments. It would be a last resort but the last resort is still a tool.

The meeting adjourned at 5:15 p.m.

Minutes transcribed by Paula Heyde, CMC, City Clerk.



**MINUTES OF THE JOINT MEETING OF THE COUNCIL PLANNING &
ZONING COMMITTEE AND STREETS & INFRASTRUCTURE COMMITTEE**

**January 30, 2007 - 4:00 p.m.
4th Floor Conference Room - City Hall**

The Council Planning & Zoning Committee and the Council Streets & Infrastructure Committee held a joint meeting to discuss the following: 1) City/County GIS project update; 2) St. Joseph Downtown Partnership 2007 Action Plan; 3) Felix Street Streetscape Project update and direction; and 4) Other planning and zoning related issues.

Attending: Committee members Donna Jean Boyer, Chairman, Bill Falkner and Barbara LaBass; Mayor Ken Shearin and Councilmembers Roger E. Baker, Mike A. Bozarth, Mike Hirter and Gary Roach.

Vincent J. Capell, City Manager; J. Bruce Woody, Public Works & Transportation Director; Clint Thompson, Planning & Community Development Director; Sam Barber, Customer Assistance Director; Steve Hofferber, Technology & Communication Services Director; Andrew Clements, Asst. Public Works & Transportation Director; Gary Leftin, Streets/Sewer Supt.; Roger Sparks, City Engineer; David Frazier, Civil Engineer; Chuck Kempf, Project Manager; Jane Loessy, Capital Projects Coordinator; Paula Heyde, City Clerk; and Jesse Spellmeyer, Missouri Western Intern.

Councilmember Donna Jean Boyer, Chairman, called the meeting to order.

Agenda #2 - St. Joseph Downtown Partnership 2007 Action Plan. St. Joseph Downtown Partnership Board members Jim Roth, Bob Dempster, John Wilson, Larry Buck and Becky Boerkircher, Executive Director, gave a power point presentation on the action plan (a copy of the presentation is attached).

Mrs. Boerkircher distributed a copy of the 2007 Action Plan.

The possibility of transferring ownership of the Coleman Hawkins Park at Felix Street Square to another entity that will maintain it was discussed.

Chairman Boyer turned the meeting over to Councilmember Gary Roach, Chairman of the Council Streets & Infrastructure Committee.

Agenda #3 - Felix Street Streetscape Project update and direction. Andrew Clements, Asst. Public Works & Transportation Director, gave some background on the project and reviewed his memorandum on this subject dated December 18, 2006, which was previously distributed. He said City staff and the St. Joseph Downtown Partnership recommend that the funds allocated in the 2003 Capital Improvements Program be redirected from other downtown projects to complete Phase II of this project.

Andy Macias, Synder & Associates, showed a power point 3D presentation and displayed a conceptual drawing of the project. A handout of a portion of this information was distributed.

Mr. Clements asked if the Council supports staff's recommendation. Mayor Ken Shearin and Councilmembers Roger E. Baker, Donna Jean Boyer, Mike A. Bozarth, Bill Falkner, Mike Hirter, Barbara LaBass, Gary Roach and Joyce A. Starr were all in agreement to construct the project in two phases and to redirect the funds allocated in the 2003 Capital Improvements Program from other downtown projects to complete Phase II.

COUNCIL PLANNING & ZONING COMMITTEE MEETING MINUTES

October 4, 2007 - 4:00 p.m.
4th Floor Conference Room - City Hall

The Council Planning and Zoning Committee held a meeting to hear a status report of the DREAM Initiative.

Attending: Committee members Donna Jean Boyer, Chairman, Bill Falkner and Barbara LaBass; Mayor Ken Shearin and Councilmember Roger E. Baker, Mike A. Bozarth, Mike Hirter, Barbara LaBass, Gary Roach and Joyce A. Starr.

Clint Thompson, Planning & Community Development Director; Andrew Clements, Asst. Public Works & Transportation Director; Chuck Kempf, Project Manager; and Paula Heyde, City Clerk.

Councilmember Donna Jean Boyer, Chairman, called the meeting to order.

Clint Thompson, Planning & Community Development Director, introduced Brian Pratt, PGAV Consulting, and David Bryan, Missouri Housing Development Commission. Mr. Thompson said this presentation was presented to the DREAM Team Executive Committee today.

Mr. Pratt gave an update on the St. Joseph DREAM Initiative (copy of the power point presentation was distributed).

A question and answer session followed the presentation:

Committee member Bill Falkner asked how the convention center location would work with the Civic Arena. Mr. Pratt said the two together could work well for this. Larger events could be held that the convention center on its own wouldn't be able to handle and having additional meeting space may make the arena more attractive as a destination.

Councilmember Mike Hirter sees the ability to attract young professionals to the downtown area as one of the keys to the revitalization of downtown. He asked Mr. Pratt to explain the slide that said that younger groups view divisiveness as a turnoff for downtown. Mr. Pratt said he could not get a read of what they meant by divisiveness but the term came up in the focus group. Councilmember Hirter would like to know what they meant and if there's a way for them to begin to work of remedying that, he thinks it's something they need to do. Mr. Pratt said maybe a follow up meeting could be held to explore what they meant and what those issues are.

Mayor Ken Shearin asked what are the community visions that needs to be unified and how many focus groups were there. Mr. Pratt said there were six focus groups with 10-12 in each group. He hears different messages about what downtown is for St. Joseph. Mayor Shearin asked why it states "Felix Street retail" instead of "downtown retail". Is Felix Street more important? Mr. Pratt said no Felix Street is not more important. Felix Street was identified as the retail corridor for downtown.

Councilmember Falkner sees the downtown area as more entertainment and then specialty retail following that.

Councilmember Gary Roach asked if this was done before the two colleges focused on the area. Mr. Thompson said it happened during this process.

Mayor Shearin said one area not included that's always been included over the 20 years that someone's tried to do something is professional office space. Mr. Pratt said that can be revisited as a part of the master plan. The Ed Hovee study really focused on retail. There is no reason to exclude it as an option.

Councilmember Hirter asked about building a convention center in the downtown if it's an undesirable area. Mr. Pratt said that could mean that people who inquired about St. Joseph as a meeting place, ultimately determined that the location didn't fit their needs because of the existing facilities and their locations or St. Joseph in general didn't fit their needs.

Mayor Shearin said this is a good report but with rail traffic increasing by 130%, the quiet zone definitely demands increased attention. Also, there's a plan for the casino to build a hotel just a short distance away.

Chairman Boyer asked how long the City is a part of the DREAM Initiative. Mr. Pratt said it's a three year commitment. Mr. Bryan said what that means for St. Joseph is that in certain instances for housing development, St. Joseph moves to the top of the list; the City is placed in an elite group for that three year period.

The meeting adjourned at 5:00 p.m.

A handwritten signature in cursive script that reads "Paula Heyde". The signature is written in dark ink and is positioned above the typed name of the City Clerk.

Minutes transcribed by Paula Heyde, City Clerk.

**Council Planning and Zoning Committee Meeting
February 27, 2008**

Update on recommendation for
Downtown Convention Center/Hotel

Council's Goal – Redevelopment of Downtown

Downtown Team formed – Created list of Downtown Projects (attached)

City Applies for State DREAM Initiative.

- 1.) Downtown Convention Center
- 2.) Entertainment District
- 3.) University involvement in Downtown

DREAM Team was formed.

Staff works to accomplish goals established on Downtown Project Sheet.

- Downtown projects action items worked on same time as items identified in DREAM Application.

P&Z Committee Meeting – October 4, 2007 - Brian Pratt updates Council on DREAM Initiative.

- State Consultant provides preliminary information to Council that demand for Convention Center in St. Joseph exists.

COUNCIL PLANNING & ZONING COMMITTEE MEETING MINUTES

**February 27, 2008~ 4:00 p.m.
Council Chamber - City Hall**

The Council Planning and Zoning Committee held a meeting to hear the consultants' recommendation on a downtown convention center.

Attending: Committee members Donna Jean Boyer, Chairman, Bill Falkner and Barbara LaBass; Councilmembers Mike A. Bozarth and Mike Hirter.

Vincent J. Capell, City Manager; J. Bruce Woody, Public Works & Transportation Director; Clint Thompson, Planning & Community Development Director; Sam Barber, Customer Assistance Director; Andrew Clements, Asst. Public Works & Transportation Director; Chuck Kempf, Project Manager; and Paula Heyde, City Clerk.

Councilmember Donna Jean Boyer, Chairman, called the meeting to order.

Clint Thompson, Planning & Community Development Director, distributed and reviewed a handout entitled "Update on recommendation for Downtown Convention Center/Hotel". A list of action items for downtown projects is included on the back of the handout.

Brian Pratt, Director of Urban Consulting, PGAV, gave a brief update on the Dream Initiative.

Rob Hunden, Hunden Strategic Partners, gave a power point presentation on a "St. Joseph Civic, Convention Center & Hotel Study" (a copy of the power point presentation was distributed).

Councilmember Mike Hirter asked Mr. Hunden if the numbers of lost business from 2000-06 (pg 7) is an estimate or are there hard facts to back that up. Mr. Hunden said the information came from the Convention & Visitors Bureau and explained how the process works.

In response to a question from Chairman Boyer about "undesirable location", Mr. Hunden said either the facility was undesirable or St. Joseph did not have some of the amenities the other communities have.

Committee member Bill Falkner asked about someone other than the Parks Dept. operating the Civic Arena and the convention center. Mr. Hunden said given the amount of activity that is happening at the Missouri Theater and Civic Arena, the current arrangement seems to be working. In the report they say that if the City develops a convention center and hotel, that an agency is created, like an authority, to own and hire management for that and if a convention center is included with the Civic Arena and Missouri Theater, then the economies of scales and efficiencies will start to happen.

Marci Bennett, Executive Director of the St. Joseph Convention & Visitors Bureau, clarified the information on the lost business report. She understands that the St. Charles Convention Center is losing money. St. Joseph really needs additional convention space but she wants to make sure that the citizens don't have to invest in it for the next 15 years. She has not seen one yet that makes money. She has some questions about the report and she would be happy to enter into some conversations.

Chairman Boyer asked Mr. Thompson what is next. Mr. Thompson said City staff would like some direction from the Council on whether or not to go forward with a convention center in the downtown. If the Council agrees that there is enough information to go forward, they will work with Mr. Pratt and Mr. Hunden to identify the financial component.

Councilmember Mike Bozarth thinks we should take the next step but we need to look very hard at the cost to the community. Committee member Falkner agreed with Councilmember Bozarth. He would like to get more information on how all the facilities would work together.

Becky Boerkircher, Executive Director of St. Joseph Downtown Partnership said that all three principals of the Holiday Inn have been apprised of everything and they are willing to take the Holiday Inn parking lot out of their TIF and move it into a new TIF needed to accomplish this goal.

Councilmember Hirter thinks this is something that needs to be pursued; funding is a concern. Committee member Barbara LaBass wants to look at it but would like to get more of an opinion of what the citizens feel because they're going to be paying for it. Chairman Boyer agrees that we need to continue looking into this but we need to look very closely at what it is going to cost the citizens and how it will be financed.

Mr. Thompson said the study is being paid for by the DREAM Initiative. The City will receive approximately \$300,000 from the state over a three-year time frame and each city is being asked to contribute \$15,000 per year as part of that. Mr. Pratt said the City will probably have to fund any future costs to continue the services for this project.

The meeting adjourned at 5:10 p.m.

A handwritten signature in cursive script that reads "Paula Heyde". The signature is written in dark ink and is positioned above the typed name of the City Clerk.

Minutes transcribed by Paula Heyde, City Clerk.

COUNCIL PLANNING & ZONING COMMITTEE MEETING

March 4, 2008 - 4:00 p.m.
4th Floor Conference Room - City Hall

The Council Planning and Zoning Committee held a meeting to discuss the following: 1) Changing the one-way streets on 3rd, 9th, Faraon and Jules Streets downtown; and 2) Presentation from the Pioneer Group on the Uptown project.

Attending: Committee members Donna Jean Boyer, Chairman, Bill Falkner and Barbara LaBass; Mayor Ken Shearin; and Councilmembers Mike A. Bozarth, Mike Hirter, Gary Roach and Joyce A. Starr.

Vincent J. Capell, City Manager; Clint Thompson, Planning & Community Development Director; Tim Davis, Assistant City Attorney; Andy Clements, Public Works & Transportation Assistant Director; Christopher Connelly, Police Chief; Sam Barber, Customer Assistance Director; Chuck Kempf, Project Manager; Jim Gardner, Traffic Supervisor; Mary Robertson, Communications Manager; and Rita K. Domini, Deputy City Clerk.

Councilmember Donna Jean Boyer, Chairman, called the meeting to order at 4:00 p.m.

Agenda Item #1: Changing the one-way streets on 3rd, 9th, Faraon and Jules Streets downtown. Andy Clements, Public Works & Transportation Assistant Director reviewed his memorandum in re: Downtown Traffic Changes, dated February 28, 2008 (previously distributed).

There was discussion on the two-way street changes, the parking impact, traffic flow and traffic signals and the cost for the changes.

[Mayor Shearin left.]

[Councilmember Gary Roach arrived during the discussion.]

The Council agreed to the proposed changes, with the exception of extending two way traffic on North 9th Street to Hall Street, instead of Church Street, and allowing parking on both sides of North 9th Street. Mr. Clements said the changes would not be made until June and July due to the traffic studies that will be done.

Vincent J. Capell, City Manager, said that the five drafted ordinances (attached to Mr. Clements memorandum) should be ready for first reading at the March 10th Council meeting.

Agenda Item #2: Presentation from the Pioneer Group on the Uptown project. John Wilson, Heartland Health CFO, handed out and reviewed an updated page to the Uptown St. Joseph Progress Report showing a 353 Tax Abatement Summary, information on HOME Funds and the use of a federal grant in the Uptown 353 area.

[Councilmember Mike Hirter left.]

Ross Freeman, Pioneer Group, went over the Uptown Project timeline from the beginning of the project. He said the Precise Plan will be ready for submission and consideration in two weeks. The original plan for a gated community and a park has been dropped because the housing market is going in a different direction. After the Precise Plan and Infrastructure Plan are submitted, construction should begin in six months.

The meeting adjourned at 5:35 p.m.

A handwritten signature in cursive script that reads "Rita K. Domini". The signature is written in dark ink and is positioned above the typed name.

Minutes transcribed by Rita K. Domini, Deputy City Clerk.

COUNCIL PLANNING & ZONING COMMITTEE MEETING MINUTES

May 15, 2008 - 4:00 p.m.
4th Floor Conference Room - City Hall

The Council Planning and Zoning Committee held a meeting to discuss the financial information regarding the downtown convention center/hotel study.

Attending: Committee members Donna Jean Boyer, Chairman, Bill Falkner and Barbara LaBass; and Councilmembers Mike Hirter, Gary Roach and Joyce A. Starr.

Vincent J. Capell, City Manager; Lisa M. Robertson, City Attorney; Clint Thompson, Planning and Community Development Director; and Paula Heyde, City Clerk.

Councilmember Donna Jean Boyer, Chairman, called the meeting to order.

Clint Thompson, Planning and Community Development Director, distributed a copy of the St. Joseph Convention Center, Hotel and Civic Arena Strategy Study, dated November, 2007, prepared by Hunden Strategic Partners. He said this is a continuation of a meeting that was held over a month ago where Council asked City staff to continue with the research on this project.

Rob S. Hunden, Hunden Strategic Partners, gave a power point presentation entitled "St. Joseph Convention Center & Hotel: Next Steps" (copy attached).

[Councilmembers Gary Roach and Joyce A. Starr arrived during the presentation.]

Chairman Boyer asked if the same numbers would apply regardless of whether the convention center was located downtown or on the east side of town. Mr. Hunden said it's hard to say since the study they did only focused on downtown.

Committee member Bill Falkner asked if going up with the building and partnering with a hotel/motel to handle this has been explored. Mr. Hunden said they did look at that. It's very expensive primarily because you're dealing with column-free space in a convention and/or ballroom setting. Things can be underneath the column-free space but you can't have things very easily above it. They met with Holiday Inn representatives at the beginning and they were receptive to the study but since there isn't a formal direction yet from the Council, they haven't investigated anything that would reach too far into somebody else's landholdings. They looked at expanding the Holiday Inn but there's a \$10 million cost to deal with the substation located between Holiday Inn and the interstate.

Mr. Thompson said the City currently has a 3% hotel/motel tax with the ability to go to 8%. Page 9 of Chapter 14 in the report shows the potential to generate over \$25 million if the additional 5% is captured community-wide. Committee member Falkner said the Council has already directed staff to look at raising that. Vincent J. Capell, City Manager, said he doesn't know if the Council is ready to make the decision tonight to increase the hotel/motel tax from 3% to 8% to help fund this project. Other inducements will also be needed. According to the state statutes there are some

limits on how the money can be used. Committee member Falkner said he would like to look at that a little bit more.

Chairman Boyer said several people have kicked around the idea of a convention center financed publicly for some time but she hasn't got a sense recently that there is a big push for it from any group other than some of the downtown people. She wonders who besides the people in the downtown, want a convention center. Mr. Hunden said if you're not serious about downtown redevelopment, don't do this. Mr. Capell said this is what they've come up with so far as an option for achieving Council's goal for downtown revitalization.

[Committee member Barbara LaBass and Councilmember Mike Hirter left.]

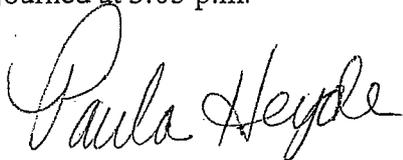
Councilmember Starr said she is in favor of investing in downtown and finding out what we can to do.

Chairman Boyer said she doesn't think there are enough Councilmembers present to make a decision on whether to spend any more money on this.

Mr. Capell thinks the Council needs to revisit why it set downtown revitalization as one of its seven goals. If the answer to that is yes, then he thinks we need to continue with this. Chairman Boyer agreed.

Committee member Falkner said a convention center is an important thing for a community to have and he thinks it's needed.

The meeting adjourned at 5:05 p.m.

A handwritten signature in cursive script that reads "Paula Heyde". The signature is written in dark ink and is positioned above the typed name of the City Clerk.

Minutes transcribed by Paula Heyde, City Clerk.

COUNCIL PLANNING & ZONING COMMITTEE MEETING MINUTES

November 5, 2008 - 4:00 p.m.
4th Floor Conference Room - City Hall

The Council Planning and Zoning Committee held a meeting to discuss a recommendation on establishing a Downtown Quiet Zone.

Attending: Committee members Donna Jean Boyer, Chairman, Bill Falkner and Barbara LaBass; and Mayor Ken Shearin and Councilmembers Mike Hirter and Joyce A. Starr.

Vincent J. Capell, City Manager; Clint Thompson, Planning & Community Development Director; J. Bruce Woody, Public Works & Transportation Director; Chuck Kempf, Special Project Manager; and Paula Heyde, City Clerk.

Burlington Northern Santa Fe Railroad representatives: Cheryl Townlian (on speaker phone) and Bruce Chinn; Missouri Dept. of Transportation (MoDOT) representatives: Rodney P. Massman, Administrator of Railroads, Jack Wright and Don Schwartze, Rail Safety Specialists, and Tonya Lohman, Area Engineer.

Councilmember Donna Jean Boyer, Chairman, called the meeting to order.

Clint Thompson, Planning & Community Development Director, said the establishment of a quiet zone in the downtown is part of the DREAM initiative. Some of the costs that were included in his Memorandum in re: "Downtown Quiet Zone update and recommendation", dated September 23, 2008 have changed. He distributed and reviewed a map showing the location of the proposed railroad crossings involved in the Quiet Zone area. He said they've held meetings with property and business owners that could potentially be affected by the crossings. There was only one property owner, Seaman and Schuske Metal Works Co., who had a dispute with this proposal. He distributed and reviewed a handout entitled "Proposed Quiet Zone Cost - Option One and Two".

[Councilmembers Barbara LaBass and Joyce A. Starr arrived.]

Mr. Thompson said Seaman and Schuske has some reservations with the closure of the Mitchell Avenue crossing. The state can close the crossing without the City's permission. Because of financial and safety issues, City staff feels the best thing to do is to close that crossing. The property owner has been asked to produce the information that would dictate a financial hardship of \$1 million, which it claims it has. Based on what the property owner has provided, he doesn't believe it has a hardship. Bruce Chinn, Manager of Public Projects with Burlington Northern Santa Fe Railroad, said the only two things that can be considered when making a decision to create, alter or close a public crossing is whether it promotes public safety and that it does not adversely affect necessity; inconvenience is not considered.

Councilmember Mike Hirter said he would like the Police and Fire Departments to weigh in on the closing of these crossings. Mr. Thompson said before a definite decision is made, he will make sure that both Chiefs have the opportunity to comment.

Jim Roth, President of St. Joseph Downtown Partnership, Inc., said the Partnership has worked on this issue for several months. He feels they've gone the extra mile to get the people together, put all the cards on the table and come up with the best way for a Quiet Zone for the City and the community that will help

2009 APR - 1 PM 3:00
CITY CLERK

the entire downtown. They've tried to come up with solutions to appease everyone and these are the two options they came up with. Seaman & Schuske don't have any proof of any financial hardship.

Larry Buck, President of Downtown Association, thinks it is important, especially when talking about taxpayer monies, that when this idea was first discussed before the DREAM Initiative, the cost was estimated in excess of a \$1 million and what a great job has been done to reduce that cost.

Mr. Thompson said City staff recommends Option One.

Chairman Boyer, Mayor Ken Shearin, Committee member LaBass and Councilmember Mike Hirter supported Option One. Committee member Bill Falkner and Councilmember Starr favored Option One as long as the Police and Fire Departments have no concerns.

The meeting adjourned at 5:05 p.m.

Minutes transcribed by Paula Heyde, CMC, City Clerk.

CITY CLERK
2009 APR - 1 PM 3:00

WORK SESSION MINUTES

December 17, 2008 - 4:00 p.m.
Council Chamber - City Hall

A work session was held to provide the City Council with an update on the DREAM Initiative and to discuss the next steps for downtown redevelopment.

Attending: Mayor Ken Shearin and Councilmembers Donna Jean Boyer, Mike A. Bozarth, Bill Falkner, Mike Hirter, Barbara LaBass, Gary Roach and Joyce A. Starr.

Vincent J. Capell, City Manager; J. Bruce Woody, Public Works & Transportation Director; Andy Clements, Public Works & Transportation Assistant Director; Clint Thompson, Planning & Community Development Director; Sam Barber, Customer Assistance Director; Judy Hovey, Revenue Manager; Gerald McCush, Community Development Manager; Michael Kellam, City Planner; Chuck Kempf, Project Manager; Mary Robertson, Communications Manager; Maggie Fischer, Communications Coordinator; Chris Clark, Multimedia Coordinator; and Rita K. Domini, Deputy City Clerk.

Vincent J. Capell, City Manager, called the work session to order.

An Agenda and handout entitled "Downtown St. Joseph, MO--Downtown Revitalization Building Blocks" was distributed.

Agenda #I & #II - Welcome & Agenda Overview and Work Session Guidelines. Mr. Capell welcomed everyone and gave an overview of the agenda and guidelines for the work session.

Agenda #III - Introduction of Out-of-Town Guests and Goal Update. Clint Thompson, Planning and Community Development Director, gave an overview of the DREAM Initiative and its goals.

[Councilmember Donna Jean Boyer arrived at the beginning of Mr. Thompson's overview.]

Mr. Thompson introduced Andy Struckhoff and John Brancaglione, Project Managers, Peckham, Guiton, Albers & Viets, Inc. (PGAV); Rob Hunden, President, Hunden Strategic Partners (HSP); Sally Hemingway, Deputy Director, Anne Perry, Manager of Development Finance, and Katie Watts, Government Affairs Liaison, Missouri Dept. of Economic Development

Agenda #IV - Overview of Ten Building Blocks to a Successful Downtown Revitalization. Mr. Capell gave an overview of the ten building blocks to a successful downtown revitalization.

Agenda #V - The DREAM Initiative. Rebecca Boerkircher, Executive Director, St. Joseph Downtown Partnership, gave the background on the DREAM Initiative. She then introduced Missouri Senator Charlie Shields, who made some comments about the Dream Initiative.

Agenda #VI - Other speakers, comments and input. The following spoke in favor of the Dream Initiative and the ten building blocks for Downtown Revitalization: Robert Collins, Collins Noteis & Associates; Joe Houts, 1301 N. 25th St.; Al Purcell, 9803 SE State Route T,

Easton, Missouri; Judy Sabbert, Chief Operating Officer, Heartland Foundation; Jim Roth, 12759 Lakeland Drive; Jeff Daum, Guardian Acceptance, 300 West Lewis; Steve Foutch, Foutch Brothers; Ted Allison, President & CEO, Chamber of Commerce; and Bob Dempster, President, Uptown Redevelopment.

Agenda #VII - Proposed Action Items for Council Consideration. Mr. Thompson referred the Council to page 49 of the handout which lists the three items that need to be accomplished in order to proceed with downtown revitalization. He briefly reviewed the three items.

Mr. Struckhoff said PGAV has completed a draft for a TIF (tax increment financing) Redevelopment Plan for the downtown area. The first project is the Felix Street Entertainment Corridor. He described the formation of a CID (Community Improvement District).

Mr. Hunden said HSP has proposed to put a plan, cost and funding source together for a convention center/hotel. They will also put together a case study of other cities comparable to St. Joseph in developing a convention center/hotel.

Agenda #VIII. City Council Comments and Deliberations.

Agenda #IX - City Council Direction for Proposed Action Items. Mr. Thompson said Page 53 of the handout shows the cost of the City's portion of continuing the work on the convention center/hotel feasibility analysis to be \$26,500.00, which City staff proposes to come from Riverboat Gaming Fund. There is no cost to the City to continue discussion and implementation for the other two action items -- CID and TIF plan.

[Councilmember Barbara LaBass arrived.]

Mayor Ken Shearin and all Councilmembers agreed to use Riverboat Gaming funds to continue the work on the convention center/hotel feasibility analysis.

Councilmember Bill Falkner said he fully supports the downtown but due to the fact that he owns several properties in the downtown area, he would have to step back on the decision to have City staff continue with the formation of a Downtown TIF/Entertainment District and a CID Feasibility Analysis. Mayor Shearin said he would have to also. Councilmember Bozarth said he supports the use of a TIF downtown, in theory, but without looking at the TIF proposal, he will not commit himself to that. Councilmembers Boyer, Hirter, Roach and Starr agreed to have City staff continue with the formation of a Downtown TIF/Entertainment District and a CID Feasibility Analysis.

The meeting adjourned at 5:45 p.m.



Minutes transcribed by Rita K. Domini, Deputy City Clerk.

MINUTES OF THE COUNCIL STREETS & INFRASTRUCTURE COMMITTEE
MEETING

July 15, 2009 - 4:15 p.m.
Council Chamber- City Hall

The Council Streets & Infrastructure Committee held a meeting to discuss downtown parking.

Attending: Committee members Gary Roach, Chairman, and Bill Falkner; and Councilmembers Donna Jean Boyer, Mike A. Bozarth and Joyce A. Starr.

Vincent J. Capell, City Manager; J. Bruce Woody, Public Works & Transportation Director; Clint Thompson, Planning & Community Development Director; Graham Jura, Assistant City Attorney; Chuck Kempf, Special Project Manager; Mike Kellam, City Planner; Kelsy Marr, Transportation Planner; Judy Hovey, Revenue Manager; Jodie Rocha, Revenue Technician; Jamie Bennett, Computer Support Specialist; Gary Leftin, Streets/Sewers Superintendent; Don Gilpin, Waste Water Treatment Superintendent; Mary Robertson, Communications Manager; Chris Clark, Multimedia Coordinator; and Rita K. Domini, Deputy City Clerk.

Councilmember Gary Roach, Chairman, called the meeting to order at 4:21 p.m.

Vincent J. Capell, City Manager, welcomed everyone and said this meeting will give a lot of historical information on downtown parking. Staff is proposing a Downtown Master Parking Plan which would benefit future businesses in downtown. They also hope to appoint a downtown parking team to work on a parking plan.

Mr. Capell, Rhabecca Boerkircher, Executive Director of St. Joseph Downtown Partnership, Inc.; Clint Thompson, Planning & Community Development Director; and J. Bruce Woody, Public Works & Transportation Director, gave a power point presentation on the following topics: Downtown's Goals and Strategies; Parking's Past; Parking's Present; and Parking's Future (a copy of the presentation is attached).

Chairman Roach asked if a poll has been sent to downtown businesses on the idea of a master parking plan. Mr. Capell said they have not been polled on that yet, but as this process moves forward that is one of the things they will find out.

Councilmember Donna Jean Boyer said she is supportive of whatever will help downtown.

[Councilmember Boyer left.]

Mimi Savidge, Rector, Christ Episcopal Church, 207 N. 7th St., said she is delighted that there is free parking for services on Sunday morning. On Friday the people who set up the altar come in an hour before services and when they return outside they have been issued tickets. Some people are not able to walk from the parking garage. She does not know what the answer is but she would

rather see an increase of the parking lot fees and she is totally opposed to parking meters. She would like to see three or four hour parking around the church.

Jeff Daum, 300 W. Lewis St., said he totally supports establishing a group and developing a master plan for parking. The biggest issue is an image problem. He does think the parking time on streets need to be limited. There should be four hours of free parking at all parking garages. He feels there should be meters downtown and the funds could go to improve the quality of downtown through a not for profit organization such as St. Joseph Downtown Partnership, Inc. There could also be an advertising campaign to educate the public that parking downtown is free.

Councilmember Mike A. Bozarth said someone suggested charging for on street parking permits similar to the garages that would be sold by the month to park anywhere downtown.

Nathan Carr, Fosters, 726 Felix St., agrees with Mr. Daum's suggestions. He is in favor of parking meters and a downtown master parking plan.

The Councilmembers agreed with staff proceeding with the process of a downtown master parking plan.

The meeting adjourned at 6:03 p.m.

A handwritten signature in cursive script that reads "Rita K. Domini". The signature is written in dark ink and is positioned above the typed name of the transcriber.

Minutes transcribed by Rita K. Domini, Deputy City Clerk.