

LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY

Tuesday, March 3, 2014

3:30 p.m.

2nd Floor West Conference Room, Busch Municipal Building

MEMBERS

PRESENT: Matthew Aug, Keith Chaffin, Steve Jackson, Frank Romines and Ron Tappan

MEMBERS

ABSENT:

STAFF: Bill Weaver, Judy White, Planning and Development Staff and Nancy Yendes, City Attorney

OTHERS

PRESENT: Shawn Whitney, Sarah Wilson and Sam Coryell
Susan Luksza by conference call

- **Call to Order**

Chairman, Frank Romines called the meeting to order at approximately 3:30 p.m. and roll was taken.

- **Approval of Minutes**

Ron Tappan made a motion to approve the minutes of February 4, 2014 meeting. Matthew Aug seconded the motion. Motion was approved.

- **Request to recommend approval of and to forward the Redevelopment Plan for The Galloway Redevelopment Area to Planning and Zoning Commission for recommendations and to City Council for approval. Resolution #2014-3189.**

Matt Schaefer, Staff explained 3900 Lone Pine Apartments, LLC submitted an application for a Redevelopment Plan and Blight Study for the Galloway Redevelopment Area. This area is located along South Lone Pine Ave between Lacuna Street and East Republic Road, 74.26 acres. The proposal is to redevelop the area for mixed use; retail, office and residential. The projects that conform to the plan would obtain ten (10) years of real property tax abatement. Staff has reviewed both the Redevelopment Plan and the Blight Study and recommends approval of both documents.

Keith Chaffin, Vice Chairman inquired as to representation by the parties present.

Shawn Whitney explained that he and Sara Wilson represented 3900 Lone Pine Apartments; LLC who is the principal driving force behind the application for the Redevelopment Plan and Sam Coryell is the owner.

Shawn Whitney explained that the goal is to mimic what was done in downtown Springfield in 1989 with the formation of the Downtown Springfield Redevelopment Area. This is the main piece to get redevelopment started in Galloway as this area is really difficult to get development started. There is obsolete platting, narrow roads, flooding issues, defective conditions on the

buildings which has created an area that has high demand but due to cost prohibited can't get development started which was the way downtown Springfield was. The goal is to form the Redevelopment Area where owners of properties within this area do not benefit from anything until they redevelop. Once this area is declared blighted and the Redevelopment Plan is adopted each individual developer/owner before the benefit from the tax abatement will have to submit another application to Land Clearance and Redevelopment Authority and bring a Redevelopment Plan before the Commission¹ and then the Commission would approve or not the tax abatement and the abatement are only on the approved values.

Lafser & Associates, Inc. from St. Louis were hired to complete the plan due to the size of the area which was out of our expertise and they have completed work in multiple cities in Missouri.

Steve Jackson, Commissioner asked how did they determine the boundaries of the area. Also, he inquired about the old quarry site and why it was not part of the Plan.

Shawn Whitney replied that the quarry declined to be part of the area. There are 41 parcels and this is voluntary and we reached out; sent letters, neighborhood meetings (2). We tried to get as many people involved as possible to make the area as big as possible. The quarry declined as a result of not having any redevelopment plans in the short term. They think that they are not going to do anything within the next couple of decades. Olsson & Associates drew the boundaries and there were several variations because there were people in and then they were out. This reflects all the people that have voluntarily decided to participate.

Matthew Aug, Commissioner asked if everyone in the rectangle area was contacted.

Shawn Whitney explained that everyone in the shaded area got a notice and as well as owners of multiple properties surrounding the area.

Steve Jackson asked if all the parcels listed in the report have been notified and they are on board having their property blighted.

Shawn Whitney responded that is correct.

Frank Romines, Chairman asked how that was confirmed.

Shawn Whitney responded that 1) silence and we sent multiple letters which were certified 2) dozens of phone calls were received from the property owners. This process has been on-going for well over a year.

Frank Romines asked if they were taking that the silence is that the other property owners agree.

Shawn Whitney stated that if they did not hear back after multiple attempts then yes, they took that as acquiesce.

Frank Romines asked how many hearings were held.

¹ This comment was corrected by Mr. Weaver later in the meeting. Mr. Weaver told the Authority that once an area is blighted, and there is a plan adopted, anyone who meets the plan in the blighted area automatically received the ten year Chapter 99 abatement.

Shawn Whitney responded two (2).

Steve Jackson asked if the plan was to develop apartments.

Shawn Whitney responded that the Redevelopment Plan allows for mixed use development.

Steve Jackson asked that the Coryell's are driving this so they have a complex plan around Allen Street.

Shawn Whitney confirmed.

Keith Chaffin, Commissioner asked to confirm if 73 acres were being blighted.

Shawn Whitney stated that 74 acres were being blighted.

Keith Chaffin stated that it was unusual and that he was caught off guard when he saw Galloway was being blighted.

Shawn Whitney stated that when the Blight Study is reviewed it conforms to the requirements.

Steve Jackson asked if we are improving Lone Pine with curb and gutter and are we going to get rid of the flooding problem from Galloway Creek.

Matt Schaefer stated that is not something the City is committing to in this Redevelopment Plan but as the area would redevelop that would occur.

Steve Jackson asked that if those are items that are needed to prove blight.

Sam Coryell asked to address that is that the blight does not specifically demand any sort of remediation beyond what the City would demand for redevelopment (public improvements). When I develop my property the City is making me widen Lone Pine and put in a turn lane. The storm water will absolutely need to be improved. That is standard operating procedures and has nothing to do with the abatement. However, if we can encourage development all along Lone Pine then as people redevelop than they will be required to do the same public improvements.

Shawn Whitney stated that due to that public improvement requirement that the property owners have to bare it makes the redevelopment of the project cost prohibited.

Steve Jackson stated that he believes that nothing beyond the Lone Pine frontage would be redeveloped for quite a long time. Is the casket place still in business?

Sara Wilson stated that the Crematorium was still in business. That business stayed in the plans for redevelopment.

Keith Chaffin asked if this Plan went all the way to Galloway Station.

Sara Wilson replied that it stops at East Republic.

Shawn Whitney stated that Galloway Station opted out of the Plan. It has been remodeled when they recently leased it and they did not see the benefit.

Frank Romines asked Shawn Whitney to explain how someone opted out of the Plan.

Shawn Whitney explained that they were told by the owners that they did not want to be in as this is a voluntary process. We received numerous phone calls, letters, etc. and they circulated the Plan as there were changes.

Steve Jackson asked if there were any others interested in the area.

Shawn Whitney confirmed that there is interest. Jeff Butler has called and he has multiple clients that have been interested in the area for years and will move forward with retail development if this is approved. He is also going to speak at the public hearing.

Sam Coryell replied that he has been contacted by two (2) different realtors asking how the abatement was proceeding.

Bill Weaver requested the opportunity to make a point of clarification.² There was a statement that additional plans will be presented; this is a redevelopment plan and a blight going forth as a package; the blight will be considered by this body with recommendations to Council, the plan will be considered Thursday, March 6 by Planning and Zoning Commission and those recommendations on the plan will go forward. The plans for the larger areas, as we discovered and so like any other 99 redevelopment area with different property owners or tenants, can apply for Chapter 99 abatement within that area. It makes it a larger area than just the projects that are proposed here, so it makes all those eligible and there will be no more Blight or Redevelopment Plan going forward unless a development doesn't conform to the Plan.

Frank Romines asked if those property owners could apply for blight designation independent of having a plan adopted, correct.

Bill Weaver explained that they would not have but they could and it would be very costly.

Sam Coryell stated that he was not sure if they could as that is what he originally asked for and Mary Lilly Smith said no basically and had a good reason for it but they would consider a larger redevelopment area but that it was years away. He asked if he were to push it forward and she told him go for it. I proceed to move forward and that was almost a year ago.

Keith Chaffin stated that information is very helpful as it could seem that this proposal is to get a large area blighted just to help your development but it makes sense as you want to do your area but it needs to be a bigger blighted area.

Sam Coryell also stated that he did his own cost benefit analysis and having redevelopment in that area will only help my seven (7) acre project. Financing is contingent on receiving the abatement and the proforma that assumes the property taxes will be frozen. Sam also stated that without the abatement the project will probably not happen due to the cost of the public infrastructure necessary.

Matt Schaefer mentioned that Sam is correct about staff was contacted about a year ago about doing a separate project for the apartments. Staff's position was that there is not a precedent for doing a Redevelopment Plan and providing incentives for a multiple family housing outside

² This is the point in the meeting where Mr. Weaver corrected a statement as noted earlier.

of center city. Therefore, this is an area that could use some redevelopment and has redevelopment potential and Staff's suggestion was that they could support a Redevelopment Plan for a broader area that took into account a district or neighborhood where you would have incentives for not only a single project but for multiple projects that would benefit the entire area. The boundaries are odd because the quarry does not have the potential for redevelopment in the near future and it would not make sense to go through the exercise to blight the quarry when there is not the ability to remediate the blighting factors within the quarry. So the quarry was excluded. On the right hand side (east side) of Lone Pine Avenue there is another void which is Sequiota Park and there is no redevelopment opportunity.

Frank Romines asked if the strip of land highlighted was public property.

Matt Schaefer replied that it is right-of-way.

Ron Tappan inquired about the flood plane.

Sam Coryell replied that he could not speak to the entire area but on his piece he will pick up some water coming from the east and carry it underground and across his property. There are two (2) detention ponds on Lone Pine that will hold the water and then he will put an underground culvert underneath Lone Pine to take it across the street. This should eliminate flooding along Lone Pine at his property. Plans are still being finalized.

Steve Jackson asked if the property was environmentally clean as this area was an asphalt plant.

Sam Coryell confirmed that his property was clean. His property was a service station with an above ground tank. Accordingly to a Phase II the property is clean.

Frank Romines asked Shawn Whitney on page 2 of the Redevelopment Plan Requirements, Section C, and Design Guidelines where it states "multi-family residential housing shall also satisfy at least half of the applicable items in each category". How is that different than the status quo today?

Matt Schaefer replied that any new multi-family residential rezoning is required to adhere or go by the multi-family location guidelines, otherwise known as the multi-family matrix. It is a point's base system to assign the maximum density that a multi-family project can have. It is based on criteria, i.e., location to amenities, parks, trails, public transit, major arterials, surrounding land uses, design considerations that the project taken into by the project. Everything is scored and based on the scores, a density is recommended for that project. The maximum density that a multi-family project can have, if it decided not to go through the exercise of using the matrix is eleven (11) dwellings units per acre. If a project wants to achieve the higher density it has be warranted by scoring the necessary points. With the Design Guidelines you have overall guidelines that state that you have to have articulation and architectural detailing to avoid blank walls and monotonous streetscape. Those are guidelines that are required or stated in the guidelines for the multi-family location guidelines, so any project would have to adhere to these guidelines. In addition, if you're doing a multi-family project you have to adhere to those guidelines plus satisfy at least half the applicable items in the guidelines to get the abatement. This is insuring that the minimum base level of architectural quality for a project.

Frank Romines asked if this is a more restrictive not less restrictive. We wouldn't have to comply with all of them or more than half even you have to score out under a normal situation.

This project has to score out right plus meet some of the boxes if not half of them to get the abatement.

Matt Schaefer stated that was correct and that meeting half of those items would give a medium score. Sam's project scored half of the points under those guidelines. Any multi-family would have to be to the level of Sam's project or better. Any non-multi-family residential project would have to provide the articulation and architectural treatments that are specified for overall development.

Shawn Whitney also mentioned that a project can meet other guidelines so that not all 100% conforming development in this area so that there is some uniqueness as well so that would be the goal.

Sara Wilson gave a summary of the blight conditions for the redevelopment area.

Frank Romines asked if there were actual examples of the lead based paint or are we assuming that is the case.

Sara Wilson said that it was based on age of the structures. They are all individually owned so you would have to go through and have each individually homeowner consent to having their property tested for the lead based paint.

Susan Luksza, Consultant confirmed that there wasn't any actual testing completed.

Matt Aug asked if there are a certain number of incidences within the 74 acres to check off the box on one of these factors.

Sara Wilson explained that it is predominance of those factors that result in determining of blight. To qualify for abatement the owners would have to do \$100,000 in rehabilitation or new improvements.

Matt Schaefer mentioned 2934 Huron Street that at the time of the picture the vegetation was overgrown and that prevents you from seeing the rear of the building has collapsed. Building Development Services is currently working with the property owner to abate a potential dangerous building situation.

Keith Chaffin asked for the City to explain what is the role of the LCRA and what do we decide.

Matt Schaefer explained that on a lot by lot basis you wouldn't be able to say that the area is completely blighted. There are some nice properties but there are some really bad properties with deteriorating structures, litter, overgrown properties.

Frank Romines asked Nancy Yendes, City Attorney if it is possible to de-couple a destination of blight from an entire area from the Redevelopment Plan itself and then approve specific case by case for blight.

Nancy Yendes responded by asking if you want to reject the boundary of the blighted area and reduce it?

Frank Romines responded no, is it possible to approve the Redevelopment Plan but not designate the whole area as blighted. On a case by case basis designate the ones that are actually blighted.

Nancy Yendes stated that the blight comes first, not the Plan. LCRA is not really looking at the Plan but at the Blight.

Keith Chaffin mentioned that they need some direction on how they determine what is blighted.

Bill Weaver stated that the key word is preponderance, it's not all properties. The other key word is that we would not support Mr. Coryell's project for just residential, staff would be breaking precedence. He was required to get a larger area which makes it a better project, makes it more worthwhile. It is a more judicious or aggressive use of the tools we have for economic development. Staff as a whole approves of the larger area but not every property within does not have to be blighted but does it tip the scale.

Frank Romines stated that he does have a concern that we are taking silence as acquiesce. I understand that there have been a couple of hearings but we do not have people in writing acknowledging that they are okay that their parcel as being included.

Steve Jackson stated that he would be comfortable if the arm going up to the north was omitted.

Nancy Yendes responded that since we are looking at preponderance throughout the entire area to remove property we would need to rewrite the Plan and blight area to take that out. When people come in and find out what they need to do to develop in Galloway, they normally do not come back.

Bill Weaver said that the memo the Commission received says that Staff recommends the Blight. This was not an easy process; this took months back and forth.

Shawn Whitney stated that regarding the silence as acquiesce, they have spoken with 80% of the people in Galloway; Sara Wilson has also spoken with a lot of the people. We have had multiple meetings.

Discussion between Commissioners and Owner and his representatives occurred regarding contacting the property owners in the Plan. The same process happened for the Redevelopment Plan as does zoning cases with signs posted, letters mailed and phone calls. During the process, if anyone asked to be excluded than they were removed from the Plan. Boundaries were redrawn when anyone was excluded and that occurred on multiple occasions.

Frank Romaines asked if someone did not want to adhere to the Design Guidelines is the only consequence that they wouldn't be eligible for the abatement.

Shawn Whitney confirmed.

Nancy Yendes stated that they would have to come in for a different plan for their property which then there would be public comment.

Frank Romines said that this is not a guarantee that people will adhere to the Design Guidelines; it's an inducement for them to get the abatement.

Bill Weaver stated that this is a piece meal method to fix what's wrong with the public improvements in the area as each developer will be required to fix those public improvements. It is an incentive to get development in the area.

Frank Romines asked Sara Wilson about the preponderance; crime is sited in the report, is there any evidence that crime is higher in this area of town than anywhere else.

Sara Wilson responded that it is not necessary higher in this area but you have a more likely of crime when you have vacant structures or structures not being used.

Frank Romines asked if there were four (4) vacant buildings.

Sara Wilson confirmed that number of four (4) vacant buildings.

Frank Romines asked Shawn Whitney about the Plan itself, the threshold of \$100,000. Failure to continually comply with the requirements under the Redevelopment Plan may result in suspension of tax abatement during the abatement period. Who and how is that going to be enforced?

Shawn Whitney responded that it would have to be done by the City, if you submitted something that complied with the Redevelopment Plan, i.e., apartment complex so the approval would be specific to that development and if something was done within that development that would conflict with the application then they would lose the abatement.

Frank Romines stated that anything within the discretionary items within the application but then it come out of conformance with the Plan than it would be revoked.

Nancy Yendes and Shawn Whitney confirmed.

Frank Romines inquired about how that would be done.

Bill Weaver stated that the City would do annual inspections when they complete the annual report. LCRA staff would confirm each year that the projects are in conformance.

Frank Romines said that it is mentioned in the Plan that the property owners would be provided relocation assistance to the extent that they are impacted by redevelopment in IV subsection E, would you talk about that.

Sara Wilson replied that when you have a situation when property owners are leasing property and you own it and you want to terminate their leases before the lease is up. The owners are going to have to do something in conformance with the leases by either wait for the lease to run out or buy them out or work out a plan with the property owners to get them to leave the property sooner than they should. If that is an issue than that would occur before coming before the LCRA and addressed in the individual properties application for tax abatement. A plan would be reviewed and approved by the Commission at the abatement approval time.

Ron Tappan asked if Sam Coryell would give an overview of this apartment plan.

Sam Coryell replied that there will be 138 apartment homes, seven buildings and their designed architecturally to look like an urban row houses, townhome multi-level units so from the street it would like similar to a brownstone with a front approach but the inside is traditional apartment

layout. There will be the old-fashioned fire walls separating the units to give it a vertical three level town home feel.

Ron Tappan asked how parking would be handled, is there going to be covered parking.

Sam Coryell replied that there is no covered parking planned, just traditional parking lot parking. Sam also informed the Commission that this would be a very advance technical dwelling units as far as integrating smart phone with the dwelling. There will be a lot of bike storage and pedestrian friendly amenities, indoor gym and it will be a very recreational community.

Shawn Whitney stated that Sam has done a lot of projects, he and his family and they have not to his knowledge taken advantage of tax abatement. Mr. Whitney did not think the Coryells would seek abatement unless he absolutely had to have it and that is one best arguments for this in that they have sat on that property for five years (5) and could not get it done due to the issues otherwise it would have been built. They are trying to spur development and hopefully this area will take off like downtown Springfield has.

Frank Romines asked what the Commission needs to vote on exactly.

Nancy Yendes responded that there is a Resolution to make a recommendation on the Blight Report and authorize the Secretary which is Ralph Rognstad actually to send your recommendation on to Council. This is on Planning and Zoning Commission agenda this Thursday night to look at the Plan; you are looking at the Blight. You are going to define the area, making recommendation to be blighted and you think the Redevelopment Plan is reasonable and this goes on to the next bodies. Once you pass that and once everyone else passes that and then somebody else comes in and meets this Redevelopment Plan then they would get the ten (10) year abatement. They will apply to Commission and then there will be a finding that they meet the Plan.

Frank Romines asked if there were any other further discussion.

Steve Jackson made a motion to approve. Ron Tappan seconded the motion. Motion was approved with a vote of 4 to 1 (Frank Romines).

Other Business

Invitation extended for the Commission to attend a Springfield Cardinals baseball game this season. Check to see about availability of Saturday, June 14.

General Discussion was had regarding blighting and abatement. The discussion included general comments on the following:

- There was general discussion from the Commission regarding individual properties or larger areas coming before the Commission with consideration of blight or tax abatement.
- Silence as acquiesce.
- Vacant land as blight, how is that proven?
- Presentation to Council, what does the Council receive and the philosophy on granting.

With no further business to come before the LCRA, the meeting was adjourned at approximately 4:56 p.m.