MINUTES OF THE PLANNING AND ZONING COMMISSION

DATE: November 15, 2012
TIME: 6:30 pm

The regular meeting and public hearing of the Planning and Zoning Commission was held on the above date and time in City Council Chambers, third floor of City Hall with the following members and staff in attendance: Shelby Lawhon (Chair); Matt Edwards (Vice-Chair), Jay McClelland, Tom Baird, Jim Hansen, Jason Ray and Phil Young, King Coltrin and Gloria Roling; Michael MacPherson, Principal Planner; Thomas Rykowski, City Attorney; Sandy Goddard, Administrative Assistant.

ROLL CALL:

APPROVAL OF MINUTES: The minutes of November 1, 2012, were approved unanimously.

COMMUNICATIONS:

Mr. MacPherson commented that in October, Commission wanted to know if there were any LIHTC projects inside the City of Springfield. Mr. Matt Schaefer from the Economic Development Department has provided to Commission a memo regarding the Low-Income Housing Tax Credit Projects in Springfield and provided a table of the locations throughout the city and the mix of sites.

CONSENT ITEMS:

1. Relinquish Easement 787 — Mark Foley
   (308 & 326 West Lakewood)

Mr. Ray motioned to approve the Consent Agenda items. Mr. Baird seconded the motion. The motion carried as follows: Ayes: Lawhon, Edwards, McClelland, Baird, Ray, Young, Coltrin, Roling, and Hansen. Nays: None. Abstain: None. Absent: None.

OTHER PUBLIC HEARINGS:

2. Solo Redevelopment Plan — Solo Redevelopment Corporation
   (1100 N Glenstone Avenue)

Ms. Roling recused herself from hearing the case.

Mr. Matt Schaefer, Senior Planner from Economic Development, commented the Solo Redevelopment Corporation has submitted a Chapter 353 application for approval of a redevelopment project located along the east side of the 1100 block of North Glenstone and along the north side of the 2000 block of East Pythian Street. A Chapter 353 Redevelopment project is an incentive that is intended to promote the redevelopment of blighted areas and does so by offering up to twenty-five (25) years of partial property tax abatements. During the first ten (10) years the abatement is one hundred (100) percent of the increase in the assessed value of the improvements and then during the latter fifteen (15) years, it is fifty (50) percent on the assessed value of the land and improvements. Commission is to look at whether the redevelopment plan conforms to the Springfield-Greene County Comprehensive Plan.

The Solo Redevelopment Area consists of three (3) parcels that comprise approximately 80.87 acres. The area is currently occupied by two warehouse facilities which front onto East Pythian Street and East Chestnut Expressway and the former Solo Cup manufacturing facility, currently vacant, which consists of approximately 1.35 million square feet of vacant manufacturing space available for use. As part of the Developer's application a blight report has been submitted that indicates that the area is blighted and demonstrates that there is a need for redevelopment in the area. The Developer proposes to rehabilitate and subdivide the former Solo Cup plant into a multi-tenant facility that will accommodate mixed-use industrial and offer flex space, warehousing, and light manufacturing uses. The Developer has indicated in his application that due to the sheer size and configuration of this facility along with changes in market demand for industrial space, present challenges for its reuse, especially by a single tenant. Reuse of this facility will require that the building be subdivided to accommodate multiple tenants. The proposed rehabilitation will include repairs and updates to the exterior of the facility; reconfiguration of plumbing, electrical, and mechanical systems; parking lot improvements and infill to accommodate prospective tenants' needs. The facility facing East Chestnut Expressway will be improved including some improvements to the docks, the lighting and mechanical systems and a new six-thousand (6000) square office building as well built adjacent to it. Staff has determined that the redevelopment plan conforms to the Springfield-Greene County Comprehensive Plan. The Growth Management and Land Use Element of the plan provides industrial land use guidelines and recommends that industrials uses be located in areas served by public transit and by major roads that have adequate capacity and are designed to carry heavy freight traffic. Such land uses should also be located and designed to have a minimal impact on adjoining land uses, particularly residential land uses. The Redevelopment Plan adheres to these guidelines, as the Redevelopment Area is located within an existing industrial area that is adjacent to North Glenstone Avenue, a primary arterial served by a City Utilities bus route, and East Chestnut Expressway. Both streets provide direct access to Interstate 44 and US 65. The Growth Management and Land Use Plan Element also encourage public-private coordination to promote renewal of established, residential, commercial, and industrial areas. It also states that redevelopment and infill are keys to strengthening older areas. The Redevelopment Project will be a coordinated effort between the Developer and the City of Springfield to renew an existing industrial area. It would involve removal of blight and there would be new investment and job creation potentially. The rehabilitation of the Solo Plant would improve the marketability to potential tenants wishing to locate or expand in Springfield. The proposed redevelopment will also promote more efficient use of land and public resources by reusing an existing facility that is already served by existing public infrastructure and utilities. There is also the potential for an increase in the real property taxes that are generated on the property as a result of this rehabilitation. Mr. Schaefer stated he would answer any questions.

Mr. Hansen asked if tax abatement was given how that would increase the real property tax and if there is an estimate of how much tax the City will not receive over the next twenty years. Mr. Hansen asked if the improvements on the property would be written off against future taxes.

Mr. Schaefer said in the Developers application, it includes a tax impact analysis which shows over a twenty-five year abatement period, there would be a net increase in revenues of approximately four million dollars; more that would be collected if the redevelopment occurs and the abatement is granted as opposed to the development not happening. The property would stay as it is and languish. During the first ten (10) years of abatement, the taxes are abated at one hundred percent (100%) on the improvements, however to keep the tax amenities whole during that period, the developer will be making payments in lieu of taxes that are equal to the taxes paid prior to redevelopment. Basically the tax revenues stay flat or neutral during that first ten year period. During the latter fifteen (15) years the taxes are abated based on fifty percent (50%) of the value at that time on both land and property improvements, however, because there will be substantial rehabilitation to this property, the value will increase to point that abating fifty (50) percent of the taxes on it would still be more than what was collected prior to redevelopment. Mr. Schaefer stated that the investment that the developer is proposing would improve the property and would most likely result in a substantial increase in the assessed value of the property which would increase the tax revenues that are generated from it.

Mr. Coltrin asked when you are abating property taxes, do you abate the taxes on the things inside the buildings.

Mr. Schaefer said no.

Mr. Coltrin commented that all the equipment and everything inside the building if it is renovated is taxable.

Mr. Schaefer said yes.

Mr. MacPherson commented that in lay terms what this means is for the first ten (10) years everybody gets what they are getting right now, so there is no loss to any of the taxing districts. They will get just what they are getting now because it is frozen at the level it is. After that, for the next fifteen (15) years they get half of what the new assessed valuation is and after the twenty-five (25) years, they get it all. This redevelopment would probably not paper out without the abatement; in order to make this kind of investment, they have to have this to get a return that works and that is the theory behind this law. You have these vacant, blighted building and if there isn't some incentive to move forward with them they continue to blight and the valuation over time becomes less, so ultimately if something isn't done many of them become a piece of land because eventually the building will have to come down. This is an incentive that is used to get these old buildings up and going and producing tax revenue on a higher level. There are seven taxing jurisdictions involved and the applicant has or will meet with all of them and share the tax impact statement and demonstrate why this is necessary.

Mr. Lawhon opened the public hearing.

Mr. Warren Davis, Warren Davis Properties at Solo Redevelopment, commented that the project is needed to draw potential clients and tenants and the plan is for possibly a call center, a data center. When these potential clients come to town, they don't want to wait a year to build a building. We will go in and put all new electric and heat and air units; everything inside the building will be new which is normally what they would do. When the building was purchased in 2010, they thought there might be a possibility of one tenant coming to town and starting another plant, but it did not work out. Mr. Davis stated they will probably divide the bigger building on the north and divide that into six (6) to ten (10) different units depending upon who comes to town. The districts that get the tax will not be affected and after ten (10) years they will get more tax. But right now, assistance is needed in this situation.

Mr. Hansen asked if the property was blighted when it was purchased.

Mr. Davis said yes, after it was shut down and any time something has been used for a number of years, which this has been, it becomes almost automatically blighted because it is dated. The only way to get this up and running is to spend the money on the property and change the use of it; some may be warehouses or manufacturing and along the front there are plans for the call center and offices. They can go in and do that in four to six months verses building a new one.

Mr. Hansen asked Mr. Davis why the citizens should subsidize the project and how much the abatement is helping with the total project.

Mr. Davis stated that he is investing the money to refurbish the building; companies coming to town try to beat you up on the pricing and some of the pricing that is critical is taxes. This is part of the total system to make the whole thing work and taxes are an important part of that.

Mr. MacPherson stated that blight determination is made by the Land Clearance for Redevelopment Authority, which is a Board, and they make a recommendation to the City Council and the Council is the final authority on blight. Our position here is to make a determination as to whether this fits within the Comprehensive Plan. Mr. Schaefer will describe what the conditions are of blight that meet the statutory requirements that lead staff to make a recommendation of approval for this project to the LCRA.

Mr. Schaefer said that Chapter 353 of the Missouri Revised Statutes and the factors that are discussed in the definition is age, economic and functional obsolescence, physical deterioration, and do those factors contribute to a threat or menace to public health, safety, and morals. The Developer has submitted a blight report with the application and one of the key factors mentioned in the report is that there is significant obsolescence with this structure. There has been a change in the market demand for manufacturing space. Over the years the actual size of facilities that have been in demand has decreased and there is evidence indicating that has occurred over the years by looking at the actual size of the workforce that works in manufacturing facilities in Springfield. It is not feasible to reuse the property as a single tenant facility because the demand is not there and to tear down the property and build new would be economically infeasible. It would cost more to demolish and clean up the site. It makes sense to partition the building and market it to tenants that can fill smaller spaces. The building is fairly old and there is some physical deterioration.

Mr. MacPherson quoted from the statute that the term Mr. Schaefer is using in referred to the building being too big, is functional obsolescence.

Mr. Schaefer stated there has been some vandalism and the building sitting there will attract trouble; unless something is done to get the building back into to use and occupied by tenants, the property will become blight on the area.

Mr. Davis discussed the cost of the security they currently have to protect the building since purchasing the property, stating that if they had not done that the building would be in big trouble.

Mr. Young commended Mr. Davis for taking on this project, buying an old building and rehabilitating it. Mr. Young asked about the buildings on the south and if it is currently is in use.

Mr. Davis commented the south building has been renovated because it was just a shell. There is something in there now. They will be building another building on the corner, on the southeast corner of the building for offices that Mr. Schaefer referred to earlier.

Mr. Young asked if the tax abatement is going to be for the north building or for the whole property.

Mr. Davis said it will be for the whole thing.

Mr. Lawhon asked if there are any prospective tenants lined up for this property and where the investment money will come from.

Mr. Davis said there is some interest on warehousing; on the front property there hasn't been any. It takes time. Mr. Davis said the building looks good on the outside, but on the inside there is a lot of repair work that has to be done.

Mr. Hansen asked Mr. Davis what percentage of the total cost of the project will be reduced because of the abatements.

Mr. Davis said his costs will be the same. What it does is keep the taxes reasonable and you are not taxed at this time, for ten (10) years, on the new improvements. On an investment of twenty-four million dollars, it would be four-hundred-twenty thousand (420,000) a year extra to the best of his estimation for the entire project. That would be the first ten (10) years; after that it would drop back to two-hundred-ten thousand (210,000) in savings on the total project.

Mr. Lawhon closed the public hearing.

Mr. Edwards commented that Mother's Brewery would not have been able to do their project, given the repair costs if not for this option; you really don't understand what kind of expense goes into that till you start cutting out the old iron pipe and completely gutting it and renovating it. Mr. Edwards commented this is a good use for this tool they have. As a City they have asked the government to put this package together and put out there to provide development for the City. Mr. Edwards voiced his approval.

Mr. Lawhon said it is easy when you start talking about tax abatements to think about zero (0), and that is not the case. Taxes will continue to be paid, but it will not be increased as rapidly. Essentially it gives the developer a temporary break. It is important to know that in a way there is not a loss of money but by doing this it is allowing something to happen that otherwise might not happen.

Mr. Young commented that any developer that comes along and takes an old building to rehabilitate it is doing the community a huge favor instead of urban sprawl. Mr. Davis could go out and buy a hundred acres and build a facility on it and then subdivide it, and for someone to take on that challenge and do it is a great thing and added his support.

Mr. Lawhon commented that the Solo Building is synonymous of Springfield and it has been sad to see it vacant and the prospect of something positive coming out of it sounds good.

Mr. Edwards commented that if this factory does fill up with different tenants, they will employ a lot of people and those people will be paying payroll taxes and shopping in the community and paying sales tax so this is a lot of economic benefit that is hidden under the surface on a deal like this.

Mr. Lawhon asked if the blight determination has been made on this yet and when it goes to Council.

Mr. Schaefer said no, it went to the LCRA last week and the authority made a recommendation to Council to blight the property and will go to Council next Monday.

Mr. Rykowski stated first reading will be Monday night and second reading before end of year.

Mr. Hansen asked if Commission sees the blight report before it goes to Council.

Mr. MacPherson stated it is a public document and staff would be happy to supply it. Commission has seen them on some of the Chapter 99 plans. Chapter 353 normally goes before the LCRA. Our responsibility here is to whether the redevelopment of this property and its location for redevelopment is in conformance with the Plan.

Mr. Baird motioned to **approve** the Solo Redevelopment Plan. Mr. Edwards **seconded** the motion. The motion **carried** as follows: Ayes: Lawhon, Edwards, McClelland, Baird, Ray, Young, Coltrin, and Hansen. Nays: None. Abstain: Roling. Absent: None.

OTHER BUSINESS:

3. Initiate Zoning Text Amendment for Residential Front Yard Setback (City-Wide) — City of Springfield

Mr. MacPherson stated this action is just an initiation and staff is asking Commission to initiate an action to allow staff to do research and prepare a staff report regarding a text amendment for future consideration. In February of 2010, Planning and Zoning Commission and City Council reviewed and approved amendments to allow reduced front yard setbacks in the commercial and industrial districts. This allowed greater flexibility for commercial and industrial buildings to set closer to the public street and promote pedestrian safety and parking behind buildings. These amendments included the requirement for a conditional use permit or preliminary plat to be approved for any reduced front yard setbacks. This would allow for public comment and consideration on each case at Planning and Zoning Commission and City Council. Recently a situation occurred where a multi-family structure wanted to build closer to the public street; however, the existing front yard setback requirements only allow a preliminary plat as an option for this reduction. A zoning variance was approved for that particular case before the Board of Adjustment, and in their decision requested that staff pursue amendments to the front yard setbacks in residential districts similar to the provisions in commercial and industrial districts. Staff believes an option for a conditional use permit should be considered when looking at residential front yard setbacks. This would allow individual lots, typically infill situations, to request reduced front yard setbacks on a case by case basis. Mr. MacPherson commented that the Board of Adjustment is a citizen board and they hear appeals from Building Development Services and grant variances and hear special exceptions and when they rule on something, staff generally tries to amend the ordinance to adhere to their decision or accept what they do as our interpretation of the Zoning Ordinance from that point forward. They asked staff to request the Planning and Zoning Commission to initiate a discussion to see if an amendment to the Zoning Ordinance was appropriate. The initiation won't change anything, and if it is initiated it will come back before the Commission which will provide opportunity to question the logic and reasoning behind it.

Mr. Hansen motioned to **approve** the initiation of the Zoning Text Amendment for Residential Front Yard Setback. Mr. Edwards **seconded** the motion. The motion **carried** as follows: Ayes: Lawhon, Edwards, McClelland, Baird, Ray, Young, Coltrin, Roling, and Hansen. Nays: None. Abstain: None. Absent: None.

4. Approval of the 2013 Planning & Zoning Calendar — City of Springfield

Mr. MacPherson said that each year the meeting schedule is set up so Commission can plan their schedule. On the draft notice, we do have a meeting scheduled for October 31, Halloween. The reason it appears that way is because we keep the meeting in conjunction with the City Council schedule. Having said that, we will try to avoid that day and not schedule hearings for that unless there is a special situation. Mr. MacPherson asked if there were any conflicts Commission could see with the calendar.

Mr. Rykowski stated that the Charter sets the requirement that the first meeting for the month, which is required to be held, be three Thursday's before the last meeting of the City Council meeting for that month. That is set by the Councils calendar and the Charter which is why we wind up with October 31st being the first meeting for November.

Mr. Baird motioned to **approve** the 2013 Planning and Zoning Calendar. Mr. Hansen **seconded** the motion. The motion **carried** as follows: Ayes: Lawhon, Edwards, McClelland, Baird, Ray, Young, Coltrin, Roling, and Hansen. Nays: None. Abstain: None. Absent: None.

Mr. Young followed up by stating that his request for a leave of absence to teach at Drury is no longer necessary. The Director and students worked out a revised time for the class in the afternoon so he will not have to miss. He will still be able to teach and it will not interfere with Planning and Zoning meeting.

There being no further business, the meeting was adjourned at approximately 7:23 p.m.

ANY OTHER MATTERS UNDER COMMISSION JURISDICTION:

MICHAEL K MACPHERSON

Michael MacPherson
Principal Planner