



**MINUTES
REGULAR CITY COUNCIL MEETING
GLADSTONE, MISSOURI
MONDAY, MAY 11, 2015**

Mayor Bill Garnos opened the City Council Meeting to adjourn to a Closed Executive Session on May 11, 2015, at 6:10 pm. **Councilmember J. Brian Hill** made a motion to adjourn to Closed Executive Session pursuant to Missouri Open Meeting Act Exemption 610.021(2) for Real Estate Acquisition Discussion. **Mayor Pro Tem Jean Moore** seconded. The Vote: All "aye" – Councilmember J. Brian Hill, Mayor Pro Tem Jean Moore, and Mayor Bill Garnos. (3-0). Councilmember Carol Suter was also present at the closed session. Councilmember R.D. Mallams was absent.

PRESENT: Mayor Bill Garnos
Mayor Pro Tem Jean Moore
Councilmember Carol Suter
Councilmember J. Brian Hill

City Manager Kirk Davis
Assistant City Manager Scott Wingerson
City Counselor Randall Thompson
City Clerk Ruth Bocchino

ABSENT: Councilmember R.D. Mallams

Item 2. On the Agenda. ROLL CALL.

Mayor Bill Garnos opened the Regular City Council Meeting May 11, 2015, at 7:48 PM in the Gladstone City Council Chambers. Upon Roll Call by the City Clerk, all Councilmembers were present with the exception of Councilmember R. D. Mallams.

Item 3. On the Agenda. PLEDGE OF ALLEGIANCE.

Mayor Bill Garnos asked everyone to join and to please rise for the pledge of allegiance.

Item 4. On the Agenda. Approval of the April 27, 2015, Regular City Council Meeting Minutes.

Councilmember Carol Suter moved to accept the minutes of the April 27, 2015, Regular City Council meeting as presented. **Mayor Pro Tem Jean Moore** seconded. The Vote: All "aye" -

Councilmember J. Brian Hill, Councilmember Carol Suter, Mayor Pro Tem Jean Moore, Mayor Bill Garnos. (4-0).

Item 5. On the Agenda. CERTIFICATE OF APPRECIATION TO GLADSTONE POLICE OFFICERS ASSOCIATION-AMERICAN LEGION-WAYNE BEER

Wayne Beer addressed the City Council and stated: *"Thank you Mayor and City Council for allowing me to be here tonight. A cornerstone of the American system is the nation's dependence upon law and order; however there are a few concepts that are more misunderstood by our society than those which govern the relationships between freedom and democracy and law and order. Never, it seems, in our history, has this relationship been so strained and under attack but at the same time there has never been a greater need for, or opportunity to convey to the general public and in particular our youth, the need for law and order and our dynamic and progressive democracy. Because of the current social unrest and changing lifestyles in our country, the role of law enforcement agencies in upholding the law needs full understanding and support. The American Legion, in 1985, established a National Law Cadet Program. The American Legion of Missouri adopted the program in cooperation with the Missouri Highway Patrol, calling the program Missouri Cadet Patrol. The mission of the program is to educate youth about law enforcement, providing a day in the life of a trooper in training, and instilling a new found respect for law officials. The Missouri Highway Patrol hosts the program at their training center in Jefferson City with City, County, State and Federal Law Enforcement Officers conducting physical training, physical fitness training and classroom education training. The program provides first hand experiences and insight into the operations of law enforcement agencies. Cadets learn officer survival techniques, defensive tactics, firearms safety, precision driving, law enforcement technology, accident and criminal investigation, and more, and all of this in one week's time. This year's cadet patrol period is May 31 through June 5. Coming up really close. Recruitment is for both male and female students who have completed their junior year in high school and who are in good academic standing. Our Post, Post 626, participates in the program by providing sponsorship money and this year we were assisted by Gladstone's Police Officer Association. Our purpose here tonight is to show our thanks with a Certificate of Appreciation. Corporal Bill Brier is here to accept. Corporal Brier is the President of the Gladstone Police Officers Association and he is here to accept the Certificate. Let me just make a quick reading of it: This Certificate of Appreciation is gratefully presented to Gladstone Peace Officers Association in recognition and sincere appreciation of outstanding service and assistance which contributed to the advancement of the American Legion Programs and Activities dedicated to God and Country, presented this 11th day of May, 2015."*

Item 6. On the Agenda. PROCLAMATION: EMERGENCY MEDICAL SERVICES WEEK MAY 17-MAY 23, 2015

Mayor Bill Garnos invited Battalion Chief Sean Daugherty to the podium. Mayor Garnos read the proclamation which was followed by applause.

Battalion Chief Daugherty recognized the guys he works with: William Klem, Captain Brent Friday, Patrick Farrens, and Mark Wachter. There is no way they can do their job without the support that they get from the citizens, staff, and Council, and thanked everyone for that support.

Item 7. On the Agenda. PROCLAMATION: OLDER AMERICANS MONTH-MAY 2015

Mayor Bill Garnos invited Su Bacon to the podium. Mayor Garnos read the proclamation which was followed by applause.

Ms. Bacon stated on behalf of the Clay County Senior Services, she thanked the Council for recognizing Older Americans Month and thanked the City of Gladstone for everything that they do to make this a senior friendly community.

Item 8. On the Agenda. PROCLAMATION: RECOGNIZING BUILDING SAFETY MONTH, MAY 2015.

Mayor Bill Garnos invited Craig Slaughter to the podium. Mayor Garnos read the proclamation which was followed by applause.

Item 9. On the Agenda. CONSENT AGENDA.

Following the Clerk's reading, **Councilmember J. Brian Hill** moved to approve the Consent Agenda as published. **Councilmember Carol Suter** seconded. The vote: All "aye" – Councilmember J. Brian Hill, Councilmember Carol Suter, Mayor Pro Tem Jean Moore, and Mayor Bill Garnos. (4-0).

Councilmember J. Brian Hill moved approval of **RESOLUTION R-15-27** A Resolution authorizing the City Manager to execute a contract with Shedigs It, LLC, in the total amount not to exceed \$460,591.50 for the Mill Creek Bank Stabilization-Phase 1; Project CO 1251. **Councilmember Carol Suter** seconded. The vote: All "aye" – Councilmember J. Brian Hill, Councilmember Carol Suter, Mayor Pro Tem Jean Moore, and Mayor Bill Garnos. (4-0).

Councilmember J. Brian Hill moved approval of **RESOLUTION R-15-28** A Resolution authorizing Change Order No. 1 in the amount of \$158,850.00 to the contract with Lan-Tel Communications Services, Incorporated, for additional curb, gutter and sidewalk replacement, as part of the Northeast Englewood Road North Oak to North Antioch curb, gutter and sidewalk replacement project. **Councilmember Carol Suter** seconded. The vote: All "aye" – Councilmember J. Brian Hill, Councilmember Carol Suter, Mayor Pro Tem Jean Moore, and Mayor Bill Garnos. (4-0).

REGULAR AGENDA.

Item 10. On the Agenda. Communications from the Audience.

There were no communications from the audience.

Item 11. On the Agenda. Communications from the City Council.

Mayor Bill Garnos mentioned we had a very nice State of the County address on April 30 and it is nice to see County Government working well again. We also had a nice National Day of Prayer last week. Next Tuesday the City is hosting the groundbreaking ceremony for the Northland Innovation Center which is another exciting milestone in the history of Gladstone. The Armed Forces Memorial Day celebration starts the morning of May 23 at the cemetery and then during the rest of the day at Linden Square and to check the web site for that days' activities.

Item No. 12. On the Agenda. Communications from the City Manager.

City Manager Davis added the next City Council meeting, May 26, 2015, is on a Tuesday instead of Monday night.

Item 13. On the Agenda. **FIRST READING BILL NO. 15-15** An Ordinance of the City of Gladstone, Missouri, to establish a procedure to disclose potential conflicts of interest and substantial interests for certain Municipal Officials pursuant to the State of Missouri Ethics Law.

Councilmember J. Brian Hill moved **Bill No. 15-15** be placed on its First Reading. **Mayor Pro Tem Jean Moore** seconded. The vote: All "aye" – Councilmember J. Brian Hill, Councilmember Carol Suter, Mayor Pro Tem Jean Moore, and Mayor Bill Garnos. (4-0). The Clerk read the Bill.

Councilmember J. Brian Hill moved to accept the First Reading of **Bill No. 15-15**, waive the rule, and place the Bill on its Second and Final Reading. **Mayor Pro Tem Jean Moore** seconded. The vote: All "aye" – Councilmember J. Brian Hill, Councilmember Carol Suter, Mayor Pro Tem Jean Moore, and Mayor Bill Garnos. (4-0). The Clerk read the Bill.

Councilmember J. Brian Hill moved to accept the Second and Final Reading of **Bill No. 15-15**, and enact the Bill as **Ordinance 4.306**. **Mayor Pro Tem Jean Moore** seconded. The vote: All "aye" – Councilmember J. Brian Hill, Councilmember Carol Suter, Mayor Pro Tem Jean Moore, and Mayor Bill Garnos. (4-0).

Item 14. On the Agenda. **HEARING:** Industrial Development Project Gladstone Cap, LLC.

Mayor Bill Garnos opened the Hearing at 8:07 PM and invited City Staff, Applicant, and those in favor of the application followed by those opposed to the application to the podium.

Assistant City Manager Scott Wingerson addressed the Council and stated: *"Mr. Mayor and members of the City Council thank you very much. We are here to talk about Gladstone CAP, LLC, which we commonly refer to as the Northland Innovation Center which is an exciting project that involves multiple parties that you will hear about tonight at the corner of 69th and North Oak. The hearing process tonight will start with a developer presentation, a short PowerPoint slide show presented by Mr. Jason Glasrud from CBC, then the cities development and bond counsel representatives will speak to you about the plan and CVA, and that will be Rich Wood, and Mr. Rick McConnell will talk to you about the bond process itself moving forward. The Mayor will ask for any taxing jurisdiction comments, any public comments, then the public hearing will be closed and you will take action one way or another on the ordinance*

following on your agenda. Your packet tonight contains the proposed ordinance, the plan itself, and the cost benefit analysis and a small packet with development related information. If there are no questions for me, I will introduce Jason Glasrud from CBC and get started."

Mr. Jason Glasrud with CBC Real Estate Group addressed the Council: *"I am joined tonight by Dan Carr, Principal of CBC, and it is certainly a pleasure to be back before you now that we are nearing the groundbreaking for the Northland Innovation Center. Obviously there is some business to attend to on the docket this evening but before those items are considered we wanted to provide a brief update on the status of our project. The building and site are completely designed and our construction documents have been submitted to the City for review. Our tenants are busy working with their designers on their plans for the interior of the space and we have been excited on what we have seen thus far. We will be showing some more images of the interior and exterior here in a moment. I am happy to report as well that we have come to terms with our second major tenant, Northwest Missouri State University, who will be occupying approximately 18,000 square feet on our uppermost floor, the fifth floor, and Northwest will be locating their Kansas City Campus here in Gladstone and offer a number of Bachelors, Masters, and Certification programs for area students and certainly we are very excited to have them join the project. The Chapter 100 Tax Abatement that is under consideration tonight is the vital tool that enables this project to occur. The tax abatement is being passed directly through to our tenants which in turn creates a more favorable rent structure and then allows us, as a developer, to secure longer term leases and secure financing for the construction of the project. Of course the tenants that we have in hand today are public, academic institutions who will particularly benefit from the lower rental rates as they are not accustomed traditionally to occupying Class A office space. Those dollars can instead be spent on supporting the programs at the Northland Innovation Center as it was intended to foster. The Springstead Feasibility Report which is a component of your packet tonight has highlighted where rental rates would be without the abatement. Figuring the base rent, projected operating expenses, real estate taxes, taxes of which are estimated to be approximately \$5.91 per square foot; we have a rental rate of over \$30.00 per square foot, and that is a strong rate, even for Class A office space, much less in an area that doesn't have a great deal of comparable office product. So, by enabling those cost savings to directly benefit the tenants, we are able to deliver a superior product at rents that make sense for our tenants. Overall, the site and building design have not changed notably since we last appeared before you several months ago. We have been working vigorously with our architects, engineers, and contractors in an effort to tighten up our construction budget and schedule and we are confident that we are moving forward with a good plan. As I mentioned, and Mayor as you mentioned, the groundbreaking ceremony is quickly approaching, Tuesday, May 19, 2015, so a week from tomorrow, and we certainly hope that you can all attend with us. Our contractor, McCowan-Gordon has already been on site for over a week as you probably know, getting equipment in place and conducting early site work and preparation for the major work ahead. In terms of schedule, we expect substantial completion to be in approximately twelve months. This is, of course, heavily dependent upon weather, but our goal is to deliver the building in the spring of 2016 so that our tenants have the summer to complete their interior finish and fit out in time for the fall semester. I am pleased to say that we have had a great working relationship with City staff, getting through plan reviews and the necessary permit applications; it's been a very smooth process so thank you to Scott, Alan, and Chris and everyone that has been involved, it has been an enjoyable experience. So, the clicker, Scott, do*

we have that? I wanted to go through a few of our images: (Presents PowerPoint slides) Here I know you are very familiar with this image, but this is the corner of 69th and North Oak, looking to the East which is the corner of the building that shows the façade and some of the landscape design that we have going up 69th primarily. This next slide is looking to the North on North Oak, basically the back of the building but you do see the bus drop off where the students for the North Kansas City School District will be dropped off, the steps leading to the playground for the SAGE students and then the surface parking lot which actually enters on to the second floor of the complex. This is a view from really the main entry plaza if you were to have parked on the surface parking lot, walking into the main entrance of the building; this is the main drive which is essentially the foot of Locust Street, and that will be the main entrance into the building looking west. This is a site plan of which you are all familiar with, showing the 90,000 square foot building footprint and the surface parking; here is a shot of the interior lobby. This is what you will see as you enter into the main doors, banks of elevators, down to the back; there will be much more branding occurring in the lobby with our tenants and electronic signage and things of that nature. The second floor will be open except for some panes of glass for the North Kansas City School District, so we will have a very open atmosphere. We will get to this here in a moment; shown on the screen is our construction site operations plan. As you can see, at the foot of Locust Street will be the main entrance for all equipment and personnel. That is also incidentally where the groundbreaking will be occurring next Tuesday, weather permitting, we do have the Community Center reserved in case of rain. Construction fencing has been installed along 69th and North Oak, primarily to prevent refuse from blowing around and the security barrier for the public, so we are very excited to be getting started. We know you are all anxious to see progress, real progress, and nothing says progress like turning dirt. We will be doing that very shortly and of course, with that comes truck traffic and new faces working in town so we ask for your patience as we assemble and get started. Pardon our dust, but as I said we are thrilled to get started and going vertical very soon. I'll turn it over to Gilmore and Bell but would be happy to answer your questions.

Mr. Rich Wood addressed the Council and stated: "Good evening. Rick McConnell will be up here in a few minutes to talk about the bond transactions, but I want to talk about just one step in the process which is the Chapter 100 Plan which has been prepared for your consideration tonight. One of the necessary steps, by State Statute, is that a plan be prepared for the Chapter 100 transaction, and this plan has to show a number of things in addition to showing the cost and benefits to the taxing districts of the project. So what I want to do tonight is walk you through a few of the highlights of the plan that was probably in your packets for your review and then I'll turn it over to Rick to talk about the bond transaction. The project as described by the developer is the construction of what we have been referring to as the Phase 1 building which is the building on Lot 1. The Phase 2 potential project for the future will be the subject of a separate plan in the future should that part of the project proceed. The estimated cost of the building that was just described to you is approximately \$17,500,000.00. It's proposed that tax abatement be provided for the project at a level of 100% for 23 years. The tax abatement is being provided only on the improvements to real property that will be made; so what that means is that a PILOT will be paid to the tax districts, based on the assessed value of the property now. In other words, the taxing district would receive what they would have otherwise received in taxes based on the assessed value of the property now. The plan also provides that the company will receive a sales tax exemption for construction materials that go into the project in addition

to the tax abatement. That's a very quick overview of the plan and cost benefit analysis; if you have specific questions about the details, I'm happy to answer them, otherwise I can turn it over to Rick to talk about the bond transaction.

Mr. Rick McConnell with Gilmore and Bell addressed the Council: *"Good evening, I'm Rick McConnell with Gilmore and Bell. Always a pleasure to be here with you and it seems like every time I am we are talking about something very exciting as I know we are tonight. It's fun, and I get the most boring part of the whole presentation, so I will try to be brief. Once again we are at the stage of talking about issuing bonds for one of these industrial development commercial type projects. Tonight you have an ordinance in front of you that does not actually issue the bonds; we anticipate coming back with that at the next meeting. All we are doing tonight is actually approving the plan that Rich described to you, that is one of the statutory processes that we have to go through to notice up to the taxing districts that they have an opportunity to come and speak. We send them the actual plan, they can see the numbers, etc. Tonight we will approve the plan, and I should say that is for this project, we will do something a little bit different as we get on down the agenda. For this project tonight we will just approve the plan. We are signaling our intent provided that all our documents can be worked out to come back with an ordinance to actually issue the bonds. The bonds themselves, Chapter 100 bonds, are not in any way, shape or form an obligation that would be repaid from the City of Gladstone funds, taxes, sales taxes, and general fund revenues, nothing like that. Only from the project revenues themselves that the developer will provide under the lease structure that we set up. As Rich said, we would be happy to answer any questions and thanks again."*

Mayor Bill Garnos asked if there were any comments or questions for the developer or Gilmore and Bell.

There were none.

Mayor Bill Garnos asked if there were any comments or questions from any of the effected taxing jurisdictions.

There were none.

Mayor Bill Garnos asked if there were any comments or questions from the Public for or against the proposal.

There were none.

Mayor Bill Garnos closed the hearing at 8:20 pm.

Item 15. On the Agenda. FIRST READING BILL NO. 15-16 An Ordinance approving a plan for an Industrial Development Project for Gladstone CAP, LLC, a Delaware Limited Liability Company, consisting of the construction and improvement of a commercial facility; declaring the intent of the City of Gladstone, Missouri to issue its taxable industrial development revenue bonds (Northland Innovation Center Project), Series 2015, in a principal amount not to exceed

\$17,700,000.00 to finance the costs of such project; and authorizing certain actions relating thereto.

Councilmember Carol Suter moved **Bill No. 15-16** be placed on its First Reading. **Councilmember J. Brian Hill** seconded. The vote: All “aye” – Councilmember J. Brian Hill, Councilmember Carol Suter, Mayor Pro Tem Jean Moore, and Mayor Bill Garnos. (4-0). The Clerk read the Bill.

Councilmember Carol Suter moved to accept the First Reading of **Bill No. 15-16**, waive the rule, and place the Bill on its Second and Final Reading. **Councilmember J. Brian Hill** seconded. The vote: All “aye” – Councilmember J. Brian Hill, Councilmember Carol Suter, Mayor Pro Tem Jean Moore, and Mayor Bill Garnos. (4-0). The Clerk read the Bill.

Councilmember Carol Suter moved to accept the Second and Final Reading of **Bill No. 15-16**, and enact the Bill as **Ordinance 4.307**. **Councilmember J. Brian Hill** seconded. The vote: All “aye” – Councilmember J. Brian Hill, Councilmember Carol Suter, Mayor Pro Tem Jean Moore, and Mayor Bill Garnos. (4-0).

Item No. 16. On the Agenda. HEARING: Industrial Development Project Curry Investment.

Mayor Bill Garnos opened the Hearing at 8:24 PM and invited City Staff, Applicant, and those in favor of the application followed by those opposed to the application to the podium.

Assistant City Manager Scott Wingerson addressed the Council: *“Mr. Mayor and members of the Council thank you again. The hearing process for this application will be very similar to the last hearing. I will start by introducing Patricia Jensen who represents the owner of the property, Curry Investment Company, followed by Mr. Wood from Gilmore and Bell, and Mr. McConnell from Gilmore and Bell, and comments from any taxing jurisdictions or interested public. Mr. McConnell referenced a minute ago that this proposed ordinance is different than the one that was just considered by the City Council and that this actually serves to direct all the parties involved to issue the industrial development bonds. There are a series of documents that go with that: a Trust Indenture, Lease Agreement, Bond Purchase Agreement, and Performance Agreement. Mr. McConnell will explain the purpose of each of those documents when it’s his turn to present to you and substantially complete drafts of all those documents that are included in your packet for your consideration tonight. With that, Ms. Jensen.”*

Patricia Jensen addressed the Council and stated *“Good evening. My name is, as it has already been introduced, is Patricia Jensen with the White Goss Law Firm, here today on behalf of Curry Investment Company, also in the audience from Curry Investment is Ms. Ellen Todd, Mr. Ray Brock, and Lou Liperi with Curry, and our project architect Melissa Petrie, and Kim Spies, the bond lawyer. As Mr. Wingerson has introduced the project, this deals with Kendallwood Apartments and Rock Creek Apartments which, Kendallwood Apartments has been a very successful and long sustaining project in the City of Gladstone. The first phase of Kendallwood Apartments actually was constructed in 1968 so it is almost 50 years old. The total number of units between Rock Creek and Kendallwood are 386 units. The project today that we are here to discuss is this project consists of renovation of the exteriors of Kendallwood and Rock Creek*

Apartments; construction of the new Kendallwood Clubhouse with fitness center and club room, green space, walking trails, landscaping, outdoor grilling area, interior upgrades at Rock Creek and an addition of exercise equipment. In its entirety, this project will update the Kendallwood and Rock Creek properties ensuring that they stay competitive and continue to be successful for the next forty years. I'm going to show you a series of renderings after the project. (Presents a PowerPoint). This is the new clubhouse and amenity package which will be located at the pool site closest to Antioch Road. This location will have better visibility to new residents and be easily accessible to all visitors. On this site there will be about a 6700 square foot building constructed and the building will contain a new leasing office, a state of the art gym, a media room, a business center, and clubroom. The large clubroom will provide space for residents to hang out, watch TV, play games, or have social gatherings. Outside the clubhouse is a grill area, a fire pit, and a small layout pool. This pool is intended for sunbathing or for small children who can play in the shallow pool reef. These are views inside the clubhouse. To access the new clubhouse, residents will be encouraged to walk through the site by using a system of inter connected paths. These new connections will encourage pedestrian mobility around the entire property and to all the activity nodes the property has to offer. These activity nodes include the clubhouse, multiple pools, a new garden, grill plaza, and playground. To update the facades of both complexes, a number of things will be done. First the decaying wood siding and trim boards will be removed. All exterior windows will be replaced with energy star rated windows that will complement the new siding. Stone veneer will be added at building entry points to provide interest and texture. New balcony hand rails and patio screens will be added to further update the buildings curb appeal. In total, the project is almost an \$11,500,000.00 improvement. The tax abatement is very necessary because you wouldn't be able to do this level of improvement on a financially feasible basis. Our calculations of an internal rate of return is 5% even with the tax abatement that is provided in the plan so you can see that this is a long standing commitment of the Curry Company to continue to make sure that these apartments are a contributing business for the City of Gladstone as well as a great place for people to live and play. We have a little video of what this will look like, and you appear to fly in through doors, this is a little video of the clubhouse building itself that gives you more of a birds-eye view as well as an interior view. Curry is very excited to undergo this level of renovation and new construction on these two projects as well as we have met with the residents who are very excited about these projects. So with that, we are available to answer questions and I will turn it over now to bond Counsel.

Mayor Bill Garnos stated the video walk-throughs are raising the bar for us and it was the State of the Cities address Gladstone was the only one with a video walk through of one of our buildings from all the other cities. You are setting the bar high for you on future projects.

Mr. Rich Wood addressed the Council and stated: *"I don't think I can top the video walk through. We already described the need for the Chapter 100 plan so what I'd like to do is get right into the overview of this particular plan and a little bit on how it differs from the previous one. As was mentioned, the project is about an \$11,500,000.00 project. The tax abatement to be provided on this project includes real property improvements and unlike the previous one, personal property as well. There is proposed to be about a \$10,300,000.00 investment in real property improvements, and a little over \$1,100,000.00 in equipment and other personal property that will go into the project. Tax abatement on this project is proposed to be 100% for twenty years and then during the twenty year period of abatement, PILOT's are going to be paid*

to the taxing districts in an amount equal to the taxes currently being received. In this one we have also added a 2% inflation factor so over time that PILOT payment will continue to go up as it probably would have over time if it had stayed on the tax rolls. The overall PILOT payments are, they start at a little over \$100,000.00 a year total payments that get distributed to the taxing districts and increase over time up to about \$122,000.00 I think is what it increases to over time. This project will also receive the exemption from sales tax for construction materials and equipment. With that I would answer any questions."

Mr. Rick McConnell with Gilmore and Bell addressed the Council: *"So here our ordinances just as I mentioned before, slightly different in that we are actually authorizing the issuance of the bonds this evening. I think by way of explanation we just have two projects that are running in sort of generally concurrent schedules but here we have a long existing property owner and some improvements to an existing property whereas with the other project it's just a different type of project so it is taking a little more time to work through those documents. We just kind of magically came here together tonight on two different ones, so what his ordinance does is it actually authorizes the issuance of the bonds, approves the documents that Scott mentioned, so just to run through those we have a Trust Indenture and what that documents does in essence governs the principal and interest payments on the bonds themselves, the security for the bonds, the fact that we have a third party trustee bank involved that will handle those payments, those don't have to go through the finance department, etc. so the City doesn't bear responsibility for bookkeeping on those. We have a lease agreement. Again, the way the tax abatement is affected in all of these types of transactions is that the City actually owns the property in the real estate records but we know that it's really the company who has sort of the beneficial ownership of it but to get that tax abatement we have to put it in the City's ownership, so what the City then does is leases it back to the developer or property owner, or current property owner so that they can make use of the project. We have document called a Bond Purchase Agreement and this document really just says it's between the City and the developer/property owner and the developer says yes we will buy these bonds as they are issued over time, they are drawn down as the project costs are paid. That is what that document does. The Performance Agreement is sort of like a development agreement in a non-bond context. It, in essence, says the developer will pay the PILOTS that Rich talked about. The developer will do the project, the developer will own the project and operate it as a commercial facility. If those things don't happen then various sorts of penalties will come in to play in terms of increased PILOTS and eventually, potentially, termination of the abatement itself. Those are the documents that we are approving in form tonight. Once again, these bonds, as with all Chapter 100 Bonds, are not payable from any City monies other than these lease payments that come in for the project. No sales taxes, property taxes, general fund revenues of any kind. I'd be happy to answer any questions."*

Mayor Bill Garnos stated he didn't mean to suggest that bond counsel couldn't have a video walk through of the bond documents too, at some point in the future. He can only imagine how enjoyable that will be.

Mayor Bill Garnos asked if there were any questions for the architect, Mr. Brock, or Curry, or bond counsel.

Councilmember Carol Suter had a question for the architect or owner, the project description is for exterior improvements to Kendallwood and interior at Rock Creek. Her question was what about the interior of Kendallwood, is there some other out of this plan, a plan? Has that been recently upgraded or what is the correlation between doing the outside and not the inside.

Ellen Todd addressed the Council and stated: *"I'm Ellen Todd, with Curry Investment Company, and at Kendallwood, for many years, probably the last five years, we have been working to upgrade the interiors of the units. At Rock Creek we have some catching up to do so that is why that was anticipated. Does that answer your question?"*

Councilmember Carol Suter stated yes, it just seemed like an anomaly that they were doing the outside of one and not the inside, and she appreciated that.

Mayor Bill Garnos asked if there were any other comments or questions. Mayor Garnos had one question, the clubhouse, is it going to be located closer to North Antioch? Does that first drawing that shows all of the layout of Kendallwood show where the new clubhouse is? (Unintelligible comments, but the clubhouse was shown on the big screen). The clubhouse is probably not visible from Antioch?

Councilmember Carol Suter asked if there were walking trails around the exterior, do they crisscross. (Unintelligible comments, but the architect pointed out the dash lines on the big screen). Councilmember Suter said she would really appreciate copies of some of the renderings because they have not seen any pictures and she has already been asked by some of their enthusiastic tenants and she would appreciate copies of some of their slides.

Mayor Bill Garnos asked if there were any other questions or comment.

There were none.

Mayor Bill Garnos asked if there were any other questions or comments from affected taxing jurisdictions.

There were none.

Mayor Bill Garnos asked if there were any public comments for or against.

There were none.

Mayor Bill Garnos closed the hearing at 8:42 PM.

Item No. 17 On the Agenda. FIRST READING BILL NO. 15-17 An Ordinance authorizing the City of Gladstone, Missouri, to issue its taxable Industrial Development Revenue Bonds (Kendallwood Apartments Project), Series 2015, in a principal amount not to exceed \$11,600,000.00 to finance the costs of a project for Curry Investment Company, a Missouri Corporation, consisting of the construction and equipping of improvements to two commercial facilities; approving a plan for an industrial development project for the company; authorizing

and approving certain documents; and authorizing certain other actions in connection with the issuance of the bonds.

Mayor Pro tem Jean Moore moved **Bill No. 15-17** be placed on its First Reading. **Councilmember J. Brian Hill** seconded. The vote: All “aye” –Councilmember J. Brian Hill, Councilmember Carol Suter, Mayor Pro Tem Jean Moore, and Mayor Bill Garnos. (4-0). The Clerk read the Bill.

Mayor Pro tem Jean Moore moved to accept the First Reading of **Bill No. 15-17**, waive the rule, and place the Bill on its Second and Final Reading. **Councilmember J. Brian Hill** seconded. The vote: All “aye” – Councilmember J. Brian Hill, Councilmember Carol Suter, Mayor Pro Tem Jean Moore, and Mayor Bill Garnos. (4-0). The Clerk read the Bill.

Mayor Pro tem Jean Moore moved to accept the Second and Final Reading of **Bill No. 15-17**, and enact the Bill as **Ordinance 4.308**. **Councilmember J. Brian Hill** seconded.

Councilmember Carol Suter stated she is really happy to support this motion for a couple of reasons. One, she always applauds business owners who are wise enough to reinvest in their property. She knows they have options and one of the options is to sell and get out and let somebody else do something which usually ends up with a lesser use than its original use, so reinvestment is a wonderful thing for any community and she applauded them for making that choice. Councilmember Suter acknowledged that when we started developing downtown, of course one of our goals was that not only would the downtown of course be improved but that this improvement would ripple throughout the community and they would see an improvement and upgrading of all kinds of facilities in Gladstone and she thinks this is a perfect example of that strategy paying off for the community. They have seen it with other commercial ventures already and she knows they are going to see more and more as the downtown develops more fully so again, she appreciates that they share the Council’s vision for a growing and vital Gladstone into the future.

The vote: All “aye” – Councilmember J. Brian Hill, Councilmember Carol Suter, Mayor Pro Tem Jean Moore, and Mayor Bill Garnos. (4-0).

Item No. 19. On the Agenda. Other Business.

There was no other business to come before the City Council.


Item No. 20. On the Agenda. Questions from the News Media.


There were no questions from the News Media.

Item No. 21. On the Agenda. Adjournment.

Mayor Bill Garnos adjourned the meeting at 8:46 pm.

Respectfully submitted:


Ruth E. Bocchino, City Clerk

Approved as submitted: 
Approved as corrected/amended: _____


Mayor Bill Garnos