

Introduced by _____

First Reading _____

Second Reading _____

Ordinance No. _____

Council Bill No. B 57-13

AN ORDINANCE

ratifying and affirming the approvals, designations and findings contained in Ordinance No. 020889 related to the Regency Hotel TIF Redevelopment Plan & Project, the redevelopment area and redevelopment project described therein, and the adoption of tax increment financing with respect thereto; approving the 2013 Amendment to the Redevelopment Plan; approving a Second Amendment to Redevelopment Agreement related thereto; authorizing certain actions by City officials; and fixing the time when this ordinance shall become effective.

WHEREAS, the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865 of the Revised Statutes of Missouri, as amended (the "Act"), authorizes municipalities to undertake redevelopment projects in blighted, conservation or economic development areas, as defined in the Act; and

WHEREAS, on March 17, 2008, by Ordinance No. 019851, the City Council of Columbia, Missouri (the "City Council"), duly created the Tax Increment Financing Commission of the City of Columbia, Missouri (the "TIF Commission"); and

WHEREAS, the Act authorizes the TIF Commission to hold hearings with respect to proposed redevelopment areas, plans and projects and to make recommendations thereon to the City Council; and

WHEREAS, the TIF Commission reviewed a plan for redevelopment known as the Regency Hotel TIF Redevelopment Plan & Project (the "Redevelopment Plan"), for an area consisting of the Regency Hotel building located at 1111 East Broadway (the "Redevelopment Area") in the City of Columbia, Missouri (the "City"), as further described in Exhibit B of the Redevelopment Plan; and

WHEREAS, the Redevelopment Plan envisions the comprehensive redevelopment of the Redevelopment Area for use as a boutique hotel and associated banquet and lounge uses; and

WHEREAS, in response to a solicitation of proposals by the City, Broadway Lodging, LLC (the "Developer") submitted a proposal (the "Redevelopment Proposal") for redevelopment of the Redevelopment Area; and

WHEREAS, the TIF Commission held a public hearing in conformance with the Act on January 4, 2011, and received comments from all interested persons and taxing districts relative to (1) the Redevelopment Plan, (2) the designation of the Redevelopment Area as a “redevelopment area,” as defined by the Act, and (3) the approval of the redevelopment project, as described in the Redevelopment Plan (the “Redevelopment Project”); and

WHEREAS, on January 14, 2011, after due deliberation, the TIF Commission adopted a resolution recommending that the City Council approve the Redevelopment Plan, designate the Redevelopment Area as a “redevelopment area” pursuant to the Act, approve the Redevelopment Project and adopt tax increment financing within the Redevelopment Area; and

WHEREAS, on February 21, 2011, the City Council adopted (1) Ordinance No. 020889 approving the Redevelopment Plan, designating the Redevelopment Area as a “redevelopment area,” as defined by the Act, and approving the Redevelopment Project and (2) Ordinance No. 020890 approving a Redevelopment Agreement with the Developer for the implementation of the Redevelopment Project (the “Redevelopment Agreement”); and

WHEREAS, on July 2, 2012, the City Council adopted Ordinance No. 021363 approving a First Amendment to Redevelopment Agreement and authorizing the issuance of the tax increment financing revenue notes described in the Redevelopment Agreement (the “TIF Notes”); and

WHEREAS, after all proper notice was given, the TIF Commission held a public hearing in conformance with the Act on January 30, 2013, and received comments from all interested persons and taxing districts relative to the 2013 Amendment to the Regency Hotel Redevelopment Plan & Project, attached hereto as **Exhibit A** (the “2013 Amendment”); and

WHEREAS, on January 30, 2013, after due deliberation, the TIF Commission adopted a resolution, attached as **Exhibit B** hereto, recommending that the City Council approve the 2013 Amendment and ratify and affirm findings, approvals and designations contained in Ordinance No. 20889; and

WHEREAS, the City and the Developer desire to further amend the Redevelopment Agreement by entering into the Second Amendment to Redevelopment Agreement in substantially similar form to **Exhibit C** attached hereto (the “Second Amendment”).

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBIA, MISSOURI, AS FOLLOWS:

SECTION 1. The approvals, designations and findings contained in Ordinance No. 020889 related to the Redevelopment Plan, the Redevelopment Area, the Redevelopment Project and the adoption of tax increment financing with respect thereto are hereby ratified and affirmed. The provisions of Ordinance No. 020889 are hereby incorporated into this Ordinance by this reference as if expressly stated herein.

SECTION 2. The City Council hereby finds that the 2013 Amendment is necessary, desirable and in the best interests of the City and the City Council hereby approves the 2013 Amendment.

SECTION 3. The City Council hereby approves the Second Amendment in substantially the form attached hereto as **Exhibit C**, with such changes therein as shall be approved by the officers of the City executing the same. The City Manager is hereby authorized and directed to execute the Second Amendment on behalf of the City and the City Clerk is hereby authorized and directed to attest to the Second Amendment and to affix the seal of the City thereto.

SECTION 4. The City shall, and the officers, agents and employees of the City are hereby authorized and directed to, take such further action and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance and to carry out, comply with and perform the duties of the City with respect to the Notes, the Indenture and the Agreement, as amended.

SECTION 5. The sections of this Ordinance shall be severable. If any section of this Ordinance is found by a court of competent jurisdiction to be invalid, the remaining sections shall remain valid, unless the court finds that: (i) the valid sections are so essential to and inseparably connected with and dependent upon the void section that it cannot be presumed that the City Council has or would have enacted the valid sections without the void ones; and (ii) the valid sections, standing alone, are incomplete and are incapable of being executed in accordance with the legislative intent.

SECTION 6. This ordinance shall be in full force and effect from and after its passage.

PASSED this _____ day of _____, 2013.

ATTEST:

City Clerk

Mayor and Presiding Officer

APPROVED AS TO FORM:

City Counselor

**2013 AMENDMENT TO THE
REGENCY HOTEL REDEVELOPMENT PLAN & PROJECT**

CITY OF COLUMBIA, MISSOURI

Background: On January 4, 2011, the Tax Increment Financing Commission of the City of Columbia, Missouri (the "TIF Commission") held a public hearing concerning the Regency Hotel Redevelopment Plan & Project (the "Redevelopment Plan"). The Redevelopment Plan provided for tax increment financing to assist in financing the redevelopment of the Regency Hotel (located at 1111 E. Broadway) into a modern, upscale hotel (as further described in the Redevelopment Plan, the "Redevelopment Project"). On January 14, 2011, the TIF Commission passed a resolution recommending that the City Council approve the Redevelopment Plan and the Redevelopment Project. On February 21, 2011, the City Council adopted (1) Ordinance No. 20889 approving the Redevelopment Plan and the Redevelopment Project and (2) Ordinance No. 20890 approving a Redevelopment Agreement with Broadway Lodging, LLC for the implementation of the Redevelopment Project. On July 2, 2012, the City Council adopted Ordinance No. 21363 approving an amendment to the Redevelopment Agreement and authorizing the issuance of tax increment financing revenue notes (the "TIF Notes"). While the TIF Notes have been authorized, they have not yet been issued. The Redevelopment Project is currently under construction.

Purpose of Amendment: The purpose of this amendment is to clarify an ambiguity concerning interest accrual between the date project costs were incurred and the date of the to-be-issued TIF Notes. Approval of this amendment will allow the issuance of the TIF Notes to be completed.

Revisions to Plan: The Redevelopment Plan is hereby amended as follows:

1. Table 1: Estimate of Redevelopment Plan and Project Costs on page 7 of the Redevelopment Plan is amended to read as follows:

**REGENCY HOTEL REDEVELOPMENT AREA
COLUMBIA, MISSOURI**

REDEVELOPMENT PLAN & PROJECT ITEMS¹		COST
1.	Property Acquisition and Related Costs	\$ 3,100,000
2.	Building Demolition/Construction	12,300,000
3.	Interior Construction Improvements	2,500,000
4.	Permitting, signage, and franchise fees	200,000
5.	Professional Services: including engineering, architectural, planning, consulting, legal surveying, etc.	700,000
6.	Interest cost/carry, insurance, pre-opening expenses, contingency, etc.	1,500,000
TOTAL		\$20,300,000

⁽¹⁾ LLW Architects, Inc. Feasibility and Developer estimates.

2. Table 3: Anticipated Redevelopment Plan and Redevelopment Project Implementation Costs to be Privately Financed on page 9 of the Redevelopment Plan is amended to read as follows:

**REGENCY HOTEL REDEVELOPMENT AREA
COLUMBIA, MISSOURI**

REDEVELOPMENT PLAN & PROJECT COST ITEMS¹		COST
1	Total Redevelopment Plan & Project Implementation Costs	\$ 20,300,000
2	Redevelopment Plan & Project Costs to be financed by TIF Obligations	3,200,000
TOTAL REDEVELOPMENT PLAN AND PROJECT COSTS TO BE PRIVATELY FINANCED		\$ 17,100,000

⁽¹⁾ Developer Estimate. Excludes reserve fund, capitalized interest, and cost of issuance.

3. The first sentence of Section III.G. on page 9 is amended to read as follows:

“It is anticipated that the City will first issue TIF Notes or other types of TIF Obligations in an aggregate amount of \$3,200,000, plus the costs of issuing such obligations and any interest accruing on reimbursable redevelopment project costs between the time such costs are presented to the City for reimbursement and the date such obligations are issued.”

* * *

**RESOLUTION OF THE TAX INCREMENT FINANCING
COMMISSION OF THE CITY OF COLUMBIA, MISSOURI,
RECOMMENDING THAT THE CITY COUNCIL OF
COLUMBIA, MISSOURI APPROVE AN AMENDMENT TO THE
REGENCY HOTEL REDEVELOPMENT PLAN & PROJECT.**

WHEREAS, the City Council of the City of Columbia, Missouri, has created the Tax Increment Financing Commission of the City of Columbia, Missouri (the "TIF Commission"); and

WHEREAS, the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865 of the Revised Statutes of Missouri, as amended (the "Act"), authorizes the TIF Commission to hold public hearings with respect to proposed redevelopment areas, redevelopment plans and redevelopment projects and to make recommendations thereon to the City Council; and

WHEREAS, the City previously approved the Regency Hotel Redevelopment Plan & Project (the "Redevelopment Plan") by passage of Ordinance No. 20889 on February 21, 2011; and

WHEREAS, the TIF Commission has reviewed a proposed amendment to the Redevelopment Plan, attached as **Exhibit A** hereto and incorporated herein by this reference (the "2013 Amendment"), which amendment clarifies an ambiguity concerning interest accrual between the date project costs were incurred and the date of the to-be-issued tax increment financing revenue notes; and

WHEREAS, after all proper notice was given, the TIF Commission held a public hearing in conformance with the Act on January 30, 2013, and received comments from all interested persons and taxing districts relative to the 2013 Amendment;

**NOW, THEREFORE, BE IT RESOLVED BY THE TAX INCREMENT FINANCING
COMMISSION OF THE CITY OF COLUMBIA, MISSOURI, AS FOLLOWS:**

1. The TIF Commission hereby approves the 2013 Amendment.
2. The TIF Commission recommends to the City Council that it adopt an ordinance (a) approving the 2013 Amendment, (b) ratifying and affirming the approval and designation of the redevelopment area described in the Redevelopment Plan as a "redevelopment area" as provided in the Act, and (c) ratifying and affirming the approval of the redevelopment project described in the Redevelopment Plan, all as amended by the 2013 Amendment.
3. The officers of the Commission are hereby authorized and directed to execute all documents and take such necessary steps as they deem necessary and advisable to carry out and perform the purpose of this Resolution.
4. The sections of this Resolution shall be severable. If any section of this Resolution is found by a court of competent jurisdiction to be invalid, the remaining sections shall remain valid, unless the court finds that the valid sections are so essential to and inseparably connected with and dependent upon the void section that it cannot be presumed that the Commission has or would have enacted the valid sections without the void ones, unless the court finds that the valid sections, standing alone, are incomplete and are incapable of being executed in accordance with the legislative intent.

ADOPTED by the Tax Increment Financing Commission of the City of Columbia, Missouri, this
30th day of January, 2013.

Chairman

**2013 AMENDMENT TO THE
REGENCY HOTEL REDEVELOPMENT PLAN & PROJECT**

CITY OF COLUMBIA, MISSOURI

Background: On January 4, 2011, the Tax Increment Financing Commission of the City of Columbia, Missouri (the "TIF Commission") held a public hearing concerning the Regency Hotel Redevelopment Plan & Project (the "Redevelopment Plan"). The Redevelopment Plan provided for tax increment financing to assist in financing the redevelopment of the Regency Hotel (located at 1111 E. Broadway) into a modern, upscale hotel (as further described in the Redevelopment Plan, the "Redevelopment Project"). On January 14, 2011, the TIF Commission passed a resolution recommending that the City Council approve the Redevelopment Plan and the Redevelopment Project. On February 21, 2011, the City Council adopted (1) Ordinance No. 20889 approving the Redevelopment Plan and the Redevelopment Project and (2) Ordinance No. 20890 approving a Redevelopment Agreement with Broadway Lodging, LLC for the implementation of the Redevelopment Project. On July 2, 2012, the City Council adopted Ordinance No. 21363 approving an amendment to the Redevelopment Agreement and authorizing the issuance of tax increment financing revenue notes (the "TIF Notes"). While the TIF Notes have been authorized, they have not yet been issued. The Redevelopment Project is currently under construction.

Purpose of Amendment: The purpose of this amendment is to clarify an ambiguity concerning interest accrual between the date project costs were incurred and the date of the to-be-issued TIF Notes. Approval of this amendment will allow the issuance of the TIF Notes to be completed.

Revisions to Plan: The Redevelopment Plan is hereby amended as follows:

1. Table 1: Estimate of Redevelopment Plan and Project Costs on page 7 of the Redevelopment Plan is amended to read as follows:

**REGENCY HOTEL REDEVELOPMENT AREA
COLUMBIA, MISSOURI**

REDEVELOPMENT PLAN & PROJECT ITEMS¹		COST
1	Property Acquisition and Related Costs	\$ 3,100,000
2	Building Demolition/Construction	12,300,000
3	Interior Construction Improvements	2,500,000
4	Permitting, signage, and franchise fees	200,000
5	Professional Services: including engineering, architectural, planning, consulting, legal surveying, etc.	700,000
6	Interest cost/carry, insurance, pre-opening expenses, contingency, etc.	1,500,000
TOTAL		\$20,300,000

⁽¹⁾ LLW Architects, Inc. Feasibility and Developer estimates.

2. Table 3: Anticipated Redevelopment Plan and Redevelopment Project Implementation Costs to be Privately Financed on page 9 of the Redevelopment Plan is amended to read as follows:

**REGENCY HOTEL REDEVELOPMENT AREA
COLUMBIA, MISSOURI**

	REDEVELOPMENT PLAN & PROJECT COST ITEMS¹	COST
1	Total Redevelopment Plan & Project Implementation Costs	\$ 20,300,000
2	Redevelopment Plan & Project Costs to be financed by TIF Obligations	3,200,000
	TOTAL REDEVELOPMENT PLAN AND PROJECT COSTS TO BE PRIVATELY FINANCED	\$ 17,100,000

⁽¹⁾ Developer Estimate. Excludes reserve fund, capitalized interest, and cost of issuance.

3. The first sentence of Section III.G. on page 9 is amended to read as follows:

“It is anticipated that the City will first issue TIF Notes or other types of TIF Obligations in an aggregate amount of \$3,200,000, plus the costs of issuing such obligations and any interest accruing on reimbursable redevelopment project costs between the time such costs are presented to the City for reimbursement and the date such obligations are issued.”

* * *

SECOND AMENDMENT TO REDEVELOPMENT AGREEMENT

THIS SECOND AMENDMENT TO REDEVELOPMENT AGREEMENT (this "Second Amendment") is made and entered into as of this ____ day of _____, 2013, by and among the **CITY OF COLUMBIA, MISSOURI**, an incorporated political subdivision of the State of Missouri (the "*City*"), **BROADWAY LODGING, LLC**, a Missouri limited liability company (the "*Developer*"), and **COLUMBIA TIF CORPORATION**, a Missouri corporation (the "*TIF Recipient*"). (All capitalized terms used but not otherwise defined herein shall have the meanings ascribed in **Article I** of the herein-defined Redevelopment Agreement.)

RECITALS

A. The City, the Developer and the TIF Recipient entered into a Redevelopment Agreement dated as of March 2, 2011 and a First Amendment to Redevelopment Agreement dated as of July 11, 2012 (collectively, the "Redevelopment Agreement") in connection with the implementation of the Regency Hotel TIF Redevelopment Plan & Project.

B. The parties agree to amend the Redevelopment Agreement as herein provided.

AGREEMENT

Now, therefore, in consideration of the premises and promises contained herein and other good and valuable consideration, the adequacy and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Issuance Costs.** The reference to \$7,500 contained in the definition of "Issuance Costs" in Section 1.1 of the Redevelopment Agreement is hereby replaced with \$31,462.97.

2. **Issuance of TIF Notes.** Section 5.1 of the Redevelopment Agreement is hereby amended to read as follows:

5.1 Issuance of TIF Notes. The City agrees to issue TIF Notes, in the form substantially similar to **Exhibit F** hereto, to reimburse the TIF Recipient for Reimbursable Redevelopment Project Costs up to the Maximum Reimbursement Amount plus any interest accrued pursuant to **Section 5.1.3**.

3. **TIF Note Interest.** Section 5.1.3 of the Redevelopment Agreement is hereby amended by adding the following to the end of the Section:

Notwithstanding anything to the contrary contained herein, if any Certificates of Reimbursable Redevelopment Project Costs are approved prior to the issuance of the TIF Notes, interest shall accrue on such Certificates at the Taxable Rate or the Tax-Exempt Rate, as applicable, from the date of approval of the respective Certificate until the date that the TIF Notes are issued. Upon issuance, the TIF Notes will be endorsed for the amount represented by such Certificates plus accrued interest. The City and the Developer hereby acknowledge that the City has, to date, approved the following Certificates of Reimbursable Redevelopment Project Costs:

(1) \$848,892.03 (approved as of August 31, 2012);

- (2) \$983,418.77 (approved as of November 2, 2012);
- (3) \$673,028.77 (approved as of January 9, 2013); and
- (4) \$694,660.43 (approved as of February 12, 2013).

4. **Ratification and Approval.** Except as amended hereby, the Redevelopment Agreement is and shall remain in full force and effect in accordance with the provisions thereof.

5. **Counterparts.** This First Amendment may be executed in multiple counterparts, each of which shall constitute one and the same instrument.

6. **Conflicting Provisions.** In the event of any inconsistency between the terms and provisions of the Redevelopment Agreement and this Second Amendment, the terms and provisions of this Second Amendment shall prevail.

[Remainder of page intentionally blank. Signature pages follow.]

IN WITNESS WHEREOF, the City, the Developer and the TIF Recipient have caused this Second Amendment to be executed in their respective names and the City has caused its seal to be affixed thereto, and attested as to the date first above written.

CITY OF COLUMBIA, MISSOURI

(SEAL)

By: _____
Mike Matthes, City Manager

ATTEST:

Sheela Amin, City Clerk

APPROVED AS TO FORM:

City Counselor

STATE OF MISSOURI)
) SS
COUNTY OF BOONE)

On this ____ day of _____, 2013, before me appeared Mike Matthes, to me personally known, who, being by me duly sworn, did say that he is the City Manager of the **CITY OF COLUMBIA, MISSOURI**, an incorporated political subdivision of the State of Missouri, and that the seal affixed to the foregoing instrument is the seal of said City, and said instrument was signed and sealed in behalf of said City by authority of its City Council, and said Mike Matthes acknowledged said instrument to be the free act and deed of said City.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

Name: _____
Notary Public - State of Missouri
Commissioned in _____

(SEAL)

My Commission Expires:

BROADWAY LODGING, LLC

By: _____
Name: David Parmley
Title: Manager

STATE OF MISSOURI)
) SS
COUNTY OF _____)

On this ____ day of _____, 2013, before me appeared **DAVID PARMLEY**, to me personally known, who, being by me duly sworn, did say that he is the Manager of **BROADWAY LODGING, LLC** a Missouri limited liability company, and that he is authorized to sign the instrument on behalf of said company, and acknowledged to me that he executed the within instrument as said company's free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

Name: _____
Notary Public - State of Missouri
Commissioned in _____

(SEAL)

My Commission Expires:

COLUMBIA TIF CORPORATION

By: _____
Name: David Parmley
Title: President

STATE OF MISSOURI)
) SS
COUNTY OF _____)

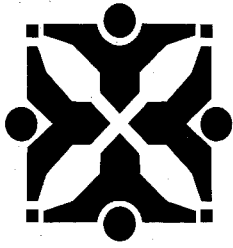
On this ____ day of _____, 2013, before me appeared **DAVID PARMLEY**, to me personally known, who, being by me duly sworn, did say that he is the President of **COLUMBIA TIF CORPORATION**, a Missouri corporation, and that he is authorized to sign the instrument on behalf of said corporation, and acknowledged to me that he executed the within instrument as said company's free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

Name: _____
Notary Public - State of Missouri
Commissioned in _____

(SEAL)

My Commission Expires:



Source: City Manager

Agenda Item No:

To: City Council
From: City Manager and Staff

Council Meeting Date: February 18, 2013

Re: Amendment to Redevelopment Agreement with Broadway Lodging

EXECUTIVE SUMMARY:

The amendment clarifies an ambiguity concerning interest accrual between the dates project costs were incurred and the date of the to-be issued tax increment financing notes, and is also intended to cure a procedural irregularity that occurred during the original TIF Commission proceedings.

DISCUSSION:

Following approval by the TIF Commission, City Council previously approved the Regency Hotel Redevelopment Plan & Project Plan by passage of Ordinance No. 20889 on February 21, 2011.

The TIF Commission met on January 30, 2013 to consider an amendment to the redevelopment agreement and to receive public comments on the proposed amendment. No comments from the public were received. The Commission is recommending to the City Council that it (a) adopt an ordinance approving the 2013 Amendment, (b) ratify and affirm the approval and designation of redevelopment area described in the Redevelopment Plan as a "redevelopment area" as provided in Act, and (c) ratify and affirm the approval of the redevelopment project described in Redevelopment Plan, all as amended by the 2013 Amendment.

The amendment clarifies an ambiguity concerning interest accrual between the dates project costs were incurred and the date of the to-be issued tax increment financing notes, and is also intended to cure a procedural irregularity that occurred during the original TIF Commission proceedings. Approval of this amendment will allow the financing contemplated in the original redevelopment plan to be completed.

FISCAL IMPACT:

Minimal fiscal impact.

VISION IMPACT:

<http://www.gocolumbiamo.com/Council/Meetings/visionimpact.php>

SUGGESTED COUNCIL ACTIONS:

Approval of the ordinance.

FISCAL and VISION NOTES:					
City Fiscal Impact Enter all that apply		Program Impact		Mandates	
City's current net FY cost		New Program/Agency?		Federal or State mandated?	
Amount of funds already appropriated		Duplicates/Epands an existing program?		Vision Implementation impact	
Amount of budget amendment needed		Fiscal Impact on any local political subdivision?		Enter all that apply: Refer to Web site	
Estimated 2 year net costs:		Resources Required		Vision Impact?	
One Time		Requires add'l FTE Personnel?		Primary Vision, Strategy and/or Goal Item #	
Operating/Ongoing		Requires add'l facilities?		Secondary Vision, Strategy and/or Goal Item #	
		Requires add'l capital equipment?		Fiscal year implementation Task #	