

**REGULAR SESSION – FEBRUARY 22, 2011**

The Cape Girardeau City Council convened in regular session on Tuesday, February 22, 2011, at 7:00 p.m., with Mayor Harry E. Rediger presiding and Council Members Mark Lanzotti, Meg Proffer, Loretta Schneider and Kathy Swan present. Council Members Debra Tracy and John Voss were absent.

Reverend Debbie Thornton, of the St. James African Methodist Episcopal Church, presented the invocation, and the Boy Scouts of America Troop 222 led the Pledge of Allegiance.

Mrs. Schneider made a motion, seconded by Mrs. Proffer, to adopt the Agenda as presented. The motion was approved upon the following vote: Ayes, Lanzotti, Proffer, Rediger, Schneider and Swan. Nays, none.

Mayor Rediger recognized Jack Begley and Payton Beck, of Boy Scouts of America Troop 222, attending the City Council meeting to earn Communications Badges.

**PRESENTATIONS**

Mayor Rediger presented a Proclamation to Southeast Missouri State University Football Coach Tony Samuel on his success and accomplishments during the 2010 season. The Mayor also recognized Southeast Missouri State University Athletic Director John Schaefer.

City Manager Scott Meyer and Public Works Director Tim Gramling gave a presentation on the Wastewater Collection and Treatment Plant construction project and the bond and sales tax issues on the April 5, 2011, ballot to help fund the project. Mr. Meyer presented a background on the wastewater process and the new regulations passed down from the Department of Natural Resources, the proposed new plant, and the utility rate adjustments. Mr. Gramling reviewed a timeline of the project, the new treatment facility location, construction costs, and the recommendation of payment options.

Mr. Meyer said that the City cannot use expected casino revenue to fund the project because the Department of Natural Resources requires a reliable revenue source. He said that he has heard of concerns regarding the impact of the expected utility rate increase on residents with fixed incomes and the City is looking into different program options to assist in those situations. The City does not have the option to ignore the Department of Natural Resources' requirements because the City would be found in violation of the settlement agreement.

Mr. Lanzotti asked if the proposed treatment plant would give capacity for new development. Mr. Meyer answered that the current wastewater treatment plant is operating at 7 mgd (million gallons per day) so there is no capacity for new development now. Adequate size was included in the new treatment plant proposed for projected development.

Mr. Lanzotti asked what projects are planned to help eliminate wet weather infiltration into the new sewer system, which seems to be a lot of the problem with the existing plant. Mr. Gramling said that repairs have been made to the existing system in over 8,000 infiltration locations and more repairs will be completed with this project.

Mayor Rediger stated that residents need to pay close attention to their utility bills. The sewer rate is a fee based on water usage. Mrs. Proffer asked how Cape Girardeau compares with other Missouri cities. Mr. Meyer replied that the comparison would depend on whether the city had

gone through bypass issues with the Department of Natural Resources already. Mr. Gramling said that he had checked into communities of similar size to Cape Girardeau and that it was hard to compare directly. If those communities have not yet received an order from the Department of Natural Resources, they are typically in a situation similar to Cape Girardeau. For those communities who have received such a directive, they have seen an approximate \$20 per month rate increase, with those rates further increasing over the next five years. This is a nation-wide issue, he said, and most rates are increasing more than Cape Girardeau's expected increase.

Mr. Meyer said that the City has researched rates in cities such as Joplin, Sedalia, St. Charles, and Columbia. Fifty-two communities in Missouri are addressing this issue now, or soon will be addressing it.

### **COMMUNICATIONS/REPORTS**

Mayor Rediger said that he had visited the Children's Discovery Playhouse this week and invited everyone to attend the annual fundraiser on Saturday, April 30<sup>th</sup>. Since April, 20,000 people have visited the facility, over 900 annual memberships have been purchased, the toy store/gift shop has become a success, weekly educational programs are hosted, and a funding campaign has begun to add another 10,000 square feet to the second floor. He recognized Alliance Water Systems Manager Kevin Priester, and the City's Planning Supervisor Martha Brown for their extensive volunteerism at the Playhouse and thanked them for their hard work to make the Children's Discovery Playhouse a success.

Mayor Rediger congratulated the Cape Girardeau Area Chamber of Commerce annual award winners Ms. Janet Esicar, Vice president at First Missouri State Bank, who received the Rush H. Limbaugh Award, and Dr. Greg Leet, of Leet EyeCare, who received the Small Business of the Year Award. The Mayor also recognized the Old Town Cape annual awards dinner recipients: the Preservation of Heritage Award was presented to Mr. Tom Kiefer, of St. Mary's Cathedral; Ms. Cindy Buchheit received the volunteer of the year award for helping on Old Town Cape's design committee; Ms. Laurie Everett won the Business Excellence Award for Annie Laurie's Antiques on Broadway; and Mr. Tim Arbeiter, of the Cape Area Chamber of Commerce, received the Charles L. Hutson Visionary Award.

Mr. Lanzotti announced the upcoming Father-Daughter Dance on Saturday, March 5, 2011, at the A.C. Brase Arena. It is a great activity for the family.

Mr. Meyer offered the City's condolences to Airport Operations Supervisor Ray Kelly on the tragic events in Scott City that claimed the life of his family members earlier today. He announced the Missouri Heritage Award will be given next Wednesday in Jefferson City to Mr. Chad Hartle for preservation of the Schultz School in Cape Girardeau.

Mr. Meyer also said that he had attended the Missouri Municipal League Conference last week and visited with Representatives Wayne Wallingford and Donna Lichtenegger, and Senator Jason Crowell about the federal building and County courthouse issues. He had expressed the City's concern that they would move County offices from Cape Girardeau and the City's desire that County offices remain open to serve City residents. Mr. Meyer said they had discussed other issues, including residential sprinklers, peripheral zoning, public construction bidding legislation, fair tax, and possible billboard regulations. The City will continue to discuss these and other issues with State representatives when possible.

**PUBLIC HEARINGS**

This being the date set for a public hearing regarding the Proposed Capital Improvements Program for Fiscal 2011-2016, the hearing was opened.

Mr. Don Howard, of 1100 Ranney Avenue, appeared before the Council regarding the wastewater treatment plant included in the Capital Improvements Plan. He said that City staff knew about the compliance issue in 2006 and that no one had addressed the issue until now. City Councils have passed many tax initiatives that the City did not need, including the parks sales tax and the Transportation Trust Fund-4, and the revenue from those two sales taxes could have gone toward construction of the new wastewater treatment plant. Mr. Howard noted that many Cape Girardeau residents with fixed incomes will suffer because of the fee increase proposed. He also opposed the proposed dog park included in the Capital Improvements Plan. He asked why the City's proceeds from the casino cannot be used to pay off the wastewater treatment plant bonds and relieve the burden from the people of Cape Girardeau.

There being no further appearances, the hearing was closed.

This being the date set for a public hearing to consider the proposed Thorngate Redevelopment Corporation Final Redevelopment Plan at 1515 Independence Street, the hearing was opened.

Mr. Mitch Robinson, of the Cape Girardeau Area MAGNET, appeared with Mr. Ron Unterreiner, of Blair Industries, in support of the Thorngate Redevelopment Corporation Final Redevelopment Plan. Mr. Robinson said that he had been working with Mr. Unterreiner over the past year on financing mechanisms for the purchase of the former Thorngate facility. As part of the project, he had proposed the use of the Chapter 353 tax abatement that would allow a 10-year 100% tax abatement on the real estate property tax only with no abatement of equipment taxes.

Mr. Unterreiner said that in May of 2010, Blair Industries began the process of expanding operations from Scott City and moving into facilities in Cape Girardeau. They are expanding operations to increase production of different types of boxes for products from perfume to televisions. Blair Industries had looked at two properties in Cape Girardeau, and the former Thorngate location was the best fit for the production. He said the 170,000 square foot facility is usable, but substantial concrete work, remodeling and renovations will need to be done. They hope to start production by April 1<sup>st</sup>.

Mr. Unterreiner said that four people have already been hired and three more will be coming this week to put machinery together and prepare for production, one of whom will stay as a permanent employee. The Blair Industries general offices will be moved from Scott City to Cape Girardeau and one or two more office personnel will be hired. With full production, by the end of the year, they will have 30 to 40 employees. Most of those will be new hires. Blair Industries' long-range plans are to expand production to include packaging beyond just cardboard boxes.

Mr. Robinson reviewed the Chapter 353 tax abatement regulations for the Council. The real estate tax on the existing facility based on the current value of the building will be abated for 10 years at 100%. During the 11<sup>th</sup> year, the real estate property tax will go back on the tax rolls. No abatement will be given on personal property, which will total approximately \$1 million in tax collected.

Mr. Lanzotti noted that if the goal of at least 30 new jobs is not met, the tax abatement will be awarded incrementally. Mr. Robinson confirmed that this was outlined in the development

agreement. Mr. Lanzotti remarked on comments he had received from residents who asserted that the City should not be investing in Chapter 353 tax abatements with companies already located in Cape Girardeau. Mr. Robinson responded that national polls show that between 70 and 80% of new jobs come from existing industries in the community. Because of the value of the building and the incentives offered, this location was the most feasible for the project, and those incentives are instrumental in getting new development in the area.

Mrs. Schneider asked if Blair Industries would keep operating a facility in Scott City. Mr. Unterreiner answered that productions in vinyl-based packaging will remain in Scott City, and the Cape Girardeau facility will be paper box packaging. Those operations will not mix.

There being no further appearances, the hearing was closed.

BILL NO. 11-19 was given first reading as follows:

**AN ORDINANCE APPROVING THE THORNGATE REDEVELOPMENT CORPORATION FINAL REDEVELOPMENT PLAN**

Mrs. Schneider made a motion, seconded by Mrs. Swan, to approve the first reading of BILL NO. 11-19. Mr. Lanzotti said that the tax abatement would total approximately \$30,000 per year with Blair Leasing promising 30 new jobs at the facility. He said the Council is considering the tax abatement of \$1,000 as each employee is hired. During a single month, that \$1,000 of yearly tax abatement per employee will be put back into the local economy to be spent repeatedly. Mr. Unterreiner remarked that MGM and Disney will come to Cape Girardeau to view the Blair Industries facility, and that will resulting people flying into the airport, staying at local hotels, and bringing additional people and money into Cape Girardeau. Mrs. Swan stated that a provision of the application required documentation that the property is in a blighted area. The documentation provided by the Southeast Missouri Regional Planning Commission stated that property had been determined to be blighted and qualified for this tax abatement from the State. The motion was approved upon the following vote: Ayes, Lanzotti, Proffer, Rediger, Schneider and Swan. Nays, none.

BILL NO. 11-20 was given first reading as follows:

**AN ORDINANCE APPROVING A REDEVELOPMENT AGREEMENT IN CONNECTION WITH THE THORNGATE REDEVELOPMENT CORPORATION FINAL REDEVELOPMENT PLAN.**

The first reading of BILL NO. 11-20 was approved upon Mr. Lanzotti's motion, Mrs. Schneider's second, and the following vote: Ayes, Lanzotti, Proffer, Rediger, Schneider and Swan. Nays, none.

**CONSENT AGENDA**

A motion was made by Mrs. Schneider, seconded by Mrs. Proffer, to approve the following items on the Consent Agenda:

City Council February 7, 2011, regular session minutes.

BILL NO. 11-15, AN ORDINANCE REPEALING SECTION 17-5 OF THE CODE OF ORDINANCES OF THE CITY OF CAPE GIRARDEAU, MISSOURI REGARDING DESECRATION OF FLAGS. Second and third readings.

BILL NO. 11-16, AN ORDINANCE AUTHORIZING THE CITY MANAGER TO EXECUTE A SWIMMING POOL OPERATIONS AGREEMENT WITH CAPE GIRARDEAU SCHOOL DISTRICT NO. 63, FOR THE OPERATION AND MAINTENANCE OF THE CENTRAL MUNICIPAL SWIMMING POOL, IN THE CITY OF CAPE GIRARDEAU, MISSOURI. Second and third readings.

BILL NO. 11-18, AN ORDINANCE ACCEPTING PERMANENT DRAINAGE EASEMENTS AND TEMPORARY CONSTRUCTION EASEMENTS FROM VARIOUS PROPERTY OWNERS FOR THE BRECKENRIDGE BRANCH STABILIZATION PROJECT. Second and third readings.

BILL NO. 11-17, AN ORDINANCE APPROPRIATING FUNDS FOR OPERATING EXPENDITURES, CAPITAL EXPENDITURES AND TRANSFERS FOR THE FISCAL YEAR ENDING JUNE 30, 2011, IN THE CITY OF CAPE GIRARDEAU, MISSOURI. Second and third readings.

BILL NO. 11-21, A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A LETTER OF AGREEMENT WITH SOUTHEAST MISSOURI STATE UNIVERSITY FOR AN HISTORIC STRUCTURE INVENTORY, IN THE CITY OF CAPE GIRARDEAU, MISSOURI. Reading and passage.

Conditional approval of the following liquor licenses:

- Outback Steakhouse Of Florida, LLC, d/b/a Outback #2615, 101 Cape West Parkway, retail liquor by the drink and Sunday Sales
- Primo Vino, Inc., 1610 N. Kingshighway, Suite 105, retail liquor by the drink

The motion was approved upon the following vote: Ayes, Lanzotti, Proffer, Rediger, Schneider and Swan. Nays, none. BILL NO. 11-15 is ORDINANCE NO. 4196; BILL NO. 11-16 is ORDINANCE NO. 4197; BILL NO. 11-18 is ORDINANCE NO. 4198; BILL NO. 11-17 is ORDINANCE NO. 4199; and BILL NO. 11-21 is RESOLUTION NO. 2593.

**NEW ORDINANCES**

BILL NO. 11-22 was given first reading as follows:

AN ORDINANCE APPROVING THE RECORD PLAT OF ROUTE K NORTH SECOND SUBDIVISION

The first reading of BILL NO. 11-22 was approved upon Mrs. Schneider's motion, Mrs. Proffer's second, and the following vote: Ayes, Lanzotti, Proffer, Rediger, Schneider and Swan. Nays, none.

BILL NO. 11-23 was given first reading as follows:

AN ORDINANCE CALLING AN ELECTION IN THE CITY OF CAPE GIRARDEAU, MISSOURI, ON THE QUESTION OF ISSUING SEWERAGE SYSTEM REVENUE BONDS

The first reading of BILL NO. 11-23 was approved upon Mrs. Schneider's motion, Mrs. Swan's second, and the following vote: Ayes, Lanzotti, Proffer, Rediger, Schneider and Swan. Nays, none.

BILL NO. 11-24 was given first reading as follows:

AN ORDINANCE CALLING AN ELECTION IN THE CITY OF CAPE GIRARDEAU, MISSOURI, ON THE QUESTION OF WHETHER TO EXTEND THE PRESENT ONE-QUARTER OF ONE PERCENT CAPITAL IMPROVEMENT SALES TAX FOR THE PURPOSE OF FUNDING CAPITAL IMPROVEMENTS

Mrs. Schneider made a motion, seconded by Mrs. Swan, to approve the first reading of BILL NO. 11-24. Mr. Lanzotti explained the reason the sewerage system revenue bonds and the capital improvement sales tax were on this agenda and will be on the June election ballot. He said that if both issues are approved, the City is guaranteeing a voter-approved revenue stream that will qualify for municipal bonds at a cheaper interest rate.

Mr. Meyer said that the City cannot secure loans with casino revenue because it is not a guaranteed revenue source. These Ordinances will place these issues on the June election ballot in the case that Cape Girardeau voters in the April election do not approve them. He emphasized that the citizens would pay the least with revenue bonds, and only with voter approval would the City qualify for special SRF bonds that are subsidized by the government at an even lower interest rate.

Mr. Lanzotti noted that the  $\frac{1}{4}$  of 1% capital improvement sales tax is an extension of a current tax, not a new City tax. By guaranteeing the revenue stream, the City can obtain the lower bond interest rate. Mayor Rediger stated that if voters in the April election passed the sewerage system revenue bonds and the capital improvement sales tax extension, the City would not have a June election.

The original motion was approved upon the following vote: Ayes, Lanzotti, Proffer, Rediger, Schneider and Swan. Nays, none.

BILL NO. 11-25 was given first reading as follows:

AN ORDINANCE AUTHORIZING THE PREPAYMENT OF \$1,960,000 PRINCIPAL AMOUNT OF THE CITY'S CERTIFICATES OF PARTICIPATION (CITY OF CAPE GIRARDEAU, MISSOURI, AIRPORT FACILITIES PROJECT), 2001A, AND THE APPROPRIATION OF FUNDS AND THE PROVISION OF NOTICE IN CONNECTION THEREWITH

Mrs. Schneider made a motion, seconded by Mrs. Swan, to approve the first reading of BILL NO. 11-25. Mr. Meyer noted that this Ordinance is related to the Commander Premier building at the Airport. He said that with the current bond structure, an aircraft manufacturer must occupy the building. With the refinancing of these bonds this spring, the City will remove the manufacturing restriction and market the property for aviation use, not just aircraft manufacturing. The City is moving forward with giving notice to the current tenant to either remit money owed or be removed from the facility. Mr. Lanzotti noted that the City would pay penalties if a tenant that did not manufacture aircraft had been placed in the facility prior to the call date, because the bond would be out of compliance. Mr. Meyer said that the bonds were the reason the City had previously focused on marketing the building to an aircraft manufacturer. The motion was approved upon the following vote: Ayes, Lanzotti, Proffer, Rediger, Schneider and Swan. Nays, none.

BILL NO. 11-26 was given first reading as follows:

**AN ORDINANCE AMENDING CHAPTER 30 OF THE CODE OF ORDINANCES OF THE CITY OF CAPE GIRARDEAU, MISSOURI, REGARDING ZONING**

Mrs. Schneider made a motion, seconded by Mrs. Swan to approve the first reading of BILL NO. 11-26.

Mr. Lanzotti made a motion, seconded by Mrs. Schneider, to amend Section 30-355(c)(1) Special Uses to say “first floor residential street frontage may be permitted in new construction and redevelopment projects.” Mayor Rediger said that the Ordinance as amended would require first floor residential use with street frontage to be approved by a special use permit. The motion to amend was approved upon the following vote: Ayes, Lanzotti, Proffer, Rediger, Schneider and Swan. Nays, none. The first reading of BILL NO. 11-26 was approved as amended upon the following vote: Ayes, Lanzotti, Proffer, Rediger, Schneider and Swan. Nays, none.

There being no further business, the City Council adjourned upon Mr. Lanzotti’s motion, Mrs. Swan’s second, and the following vote: Ayes, Lanzotti, Proffer, Rediger, Schneider and Swan. Nays, none.

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Harry E. Rediger, Mayor

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Gayle L. Conrad, City Clerk

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