

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF
ALDERMEN OF THE CITY OF OSAGE BEACH, MISSOURI
June 16, 2022**

The Board of Aldermen of the City of Osage Beach, Missouri, conducted a Regular Meeting on Thursday, June 16, 2022, at 6:00 PM. The following were present in person: Mayor Michael Harmison, Alderman Tyler Becker, Alderman Richard Ross, Alderman Kellie Schuman, Alderman Phyllis Marose, Alderman Bob O'Steen and Alderman Kevin Rucker. City Clerk Tara Berreth present and performed the duties for the City Clerk's office. Appointed and Management staff present were City Administrator Jeana Woods, Assistant City Administrator Mike Welty, City Attorney Ed Rucker, Police Lieutenant O'Day, City Planner Cary Patterson, Airport Manager Ty Dinsdale and Public Works Operations Manager Kevin Crooks.

MAYOR'S COMMUNICATIONS

No comments

CITIZEN'S COMMUNICATIONS

Chris Foster – Has issues with the financial advisor that the city hired for the Osage Beach Marketplace TIF.

APPROVAL OF CONSENT AGENDA

Alderman Becker made a motion to approve the consent agenda. This motion was seconded by Alderman Marose. Motion passes with a voice vote.

UNFINISHED BUSINESS

Bill 22-35 An ordinance of the City of Osage Beach, Missouri, authorizing the expenditure of funds for the Lake of Ozarks Bikefest Event Support Request, in an amount not to exceed \$3,000. *Second Reading*

Alderman Ross made a motion to approve the second reading of Bill 22-35. This motion was seconded by Alderman Marose. The following roll call was taken to approve the second and final reading of Bill 22.35 and to pass same into ordinance: "Ayes" Alderman Becker, Alderman Ross, Alderman Schuman, Alderman Marose, Alderman O'Steen. Alderman Rucker. Bill 22.35 was passed and approved as Ordinance 22.35.

Bill 22-36 - An ordinance of the City of Osage Beach, Missouri, adopting an amendment to the zoning map of the City of Osage Beach, Missouri by rezoning a parcel of land as described in Rezoning Case no. 419. *Second Reading*

Alderman O'Steen made a motion to approve the second reading of Bill 22-36. This motion was seconded by Alderman Marose. The following roll call was taken to approve the second and final reading of Bill 22.36 and to pass same into ordinance: "Ayes" Alderman Becker, Alderman Ross, Alderman Schuman, Alderman Marose, Alderman O'Steen. Alderman Rucker. Bill 22.36 was passed and approved as Ordinance 22.36.

Bill 22-37 - An ordinance of the City of Osage Beach, Missouri, amending Ordinance No. 21.78 Adopting the 2022 Annual Operating Budget, Transfer of Funds for Necessary Expenses for the Transportation Fund, Water Fund, and the Sewer Fund. *Second Reading*

Alderman Rucker made a motion to approve the second reading of Bill 22-37. This motion was seconded by Alderman Ross. The following roll call was taken to approve the second and final reading of Bill 22.37 and to pass same into ordinance: “Ayes” Alderman Becker, Alderman Ross, Alderman Schuman, Alderman Marose, Alderman O’Steen. Alderman Rucker. Bill 22.37 was passed and approved as Ordinance 22.37.

Bill 22-38 - An ordinance of the City of Osage Beach, Missouri, for additions and amendments to chapter 405 "Zoning Regulations" Article V. "Signs". *Second Reading*

Alderman O’Steen made a motion to approve the second reading of Bill 22-38. This motion was seconded by Alderman Schuman. The following roll call was taken to approve the second and final reading of Bill 22.38 and to pass same into ordinance: “Ayes” Alderman Becker, Alderman Ross, Alderman Schuman, Alderman Marose, Alderman O’Steen. Alderman Rucker. Bill 22.38 was passed and approved as Ordinance 22.38.

NEW BUSINESS

Presentation -Lake of the Ozarks Magic Dragon Trails Project

Jan & Stacy Pyrtle – Gave a presentation on the trail system that is planned to be built in the Lake area. The project will bring in new jobs. Want to build world class designed and built trails.

Resolution 2022-04 - A resolution of the City of Osage Beach, Missouri, supporting the application for MoDOT's Rural Statewide Transportation Alternative Program funding for the Hwy 42 Sidewalk project.

Alderman Rucker made a motion to approve Resolution 2022-04. This motion was seconded by Alderman Ross. Motion passes with a voice vote.

Bill 22-39 - An ordinance of the City of Osage Beach, Missouri, authorizing the Mayor to execute Supplemental Agreement #7 to the professional service agreement with LOR Engineering, LLC, dba Cochran Engineering, for engineering services related to applying for grant funding through MoDOT's Rural Statewide Transportation Alternatives Program (TAP) funding program as well as engineering and construction phase engineering for a new Hwy 42 Sidewalks in an amount not to exceed \$91,971.00. *First and Second Reading*

Alderman Marose made a motion to approve the first reading of Bill 22-39. This motion was seconded by Alderman Schuman Motion passes with a voice vote.

Alderman Ross made a motion to approve the second reading of Bill 22-39. This motion was seconded by Alderman Becker. The following roll call was taken to approve the second and final reading of Bill 22.39 and to pass same into ordinance: “Ayes” Alderman Becker, Alderman Ross, Alderman Schuman, Alderman Marose, Alderman O’Steen. Alderman Rucker. Bill 22.39 was passed and approved as Ordinance 22.39.

Bill 22-40 - An ordinance of the City of Osage Beach, Missouri, approving a professional services agreement with the law firm of Gilmore & Bell for services relating to the consideration of the Tegethoff Development project, The Preserve at Sycamore Creek, Chapter 353, and Chapter 100 proposals. *First Reading*

Alderman Ross made a motion to approve the first reading of Bill 22-40. This motion was seconded by Alderman Marose. Motion passes with a voice vote.

Bill 22-41 - An ordinance of the City of Osage Beach, Missouri, an ordinance approving a funding agreement for consideration of the Tegethoff Development proposal for Chapter 353 and Chapter 100 support for The Preserve at Sycamore Creek project. *First and Second Reading*

Alderman Rucker made a motion to approve the first reading of Bill 22-41. This motion was seconded by Alderman Becker. Motion passes with a voice vote.

Alderman Marose made a motion to approve the second reading of Bill 22-41. This motion was seconded by Alderman Schuman. The following roll call was taken to approve the second and final reading of Bill 22.41 and to pass same into ordinance: "Ayes" Alderman Becker, Alderman Ross, Alderman Schuman, Alderman Marose, Alderman O'Steen and, Alderman Rucker. Bill 22.41 was passed and approved as Ordinance 22.41.

Bill 22-42 - An ordinance of the City of Osage Beach, Missouri, approving a professional services agreement with Columbia Capital Management, LLC for municipal financial advisory services relating to the consideration of the Osage Beach Marketplace LLC Proposal and TIF Plan Application for the redevelopment of the Osage Beach Outlet Mall under the Real Property Tax Increment Financing Redevelopment Act. *First and Second Reading*

Alderman Becker made a motion to approve the first reading of Bill 22-42. This motion was seconded by Alderman Schuman. Motion passes with a voice vote.

Alderman Rucker made a motion to approve the second reading of Bill 22-42. This motion was seconded by Alderman Ross. The following roll call was taken to approve the second and final reading of Bill 22.42 and to pass same into ordinance: "Ayes" Alderman Becker, Alderman Ross, Alderman Schuman, Alderman Rucker. "Nays" Alderman O'Steen and Alderman Marose Bill 22.42 was passed and approved as Ordinance 22.42.

Resolution 2022-02 - A resolution of the City of Osage Beach, Missouri, supporting the application for the Missouri Department of Natural Resources, Financial Assistance Center's State American Rescue Plan Act (ARPA) Grant Program for wastewater.

Alderman Ross made a motion to approve Resolution 2022-02. This motion was seconded by Alderman O'Steen. Motion passes with a voice vote.

Resolution 2022-03 - A resolution of the City of Osage Beach, Missouri, supporting the application for the Missouri Department of Natural Resources, Financial Assistance Center's State American Rescue Plan Act (ARPA) Grant Program for drinking water.

Alderman Rucker made a motion to approve Resolution 2022-03. This motion was seconded by Alderman Becker. Motion passes with a voice vote.

Motion to approve the purchase of a 2,000-gallon JetA storage tank for Grand Glaize Airport from Neumayer Equipment, in an amount not to exceed \$45,346.53, replacing the previous approved motion for the purchase from the June 2, 2022, Board of Aldermen meeting.

Alderman Ross made a motion to approve the purchase of a 2,000-gallon JetA storage tank for Grand Glaize Airport from Neumayer Equipment, with an amount not to exceed \$45,346.53, replacing the previous approved motion for the purchase from the June 2, 2022, Board of Aldermen meeting. This motion was seconded by Alderman Marose. Motion passes with voice vote.

Discussion - Road Acceptance Packet

Alderman Rucker wants to make sure that staff and the board are all on the same page. Not wanting to change the process, but to take every road as a case-by-case basis. Realizing that some roads cannot be built to regular standards. Would like to start working on getting private roads brought into city inventory.

Osage Beach GIS Presentation

Thomas Ehlinger gave a GIS presentation.

STAFF COMMUNICATIONS

City Administrator Jeana Woods - Karri Bell received the Missouri GFOA excellence awards. Staff will be working on a letter to get the TIF Developers for the upcoming fees to be owed to the city.

Assistant City Administrator Mike Welty – Thank you for the resolutions.

Public Works Operations Manager –The new SCADA system will be pushed back to July.

Airport Manager Ty Dinsdale – Lee C Fine will be hopefully done by July 4th.

COMMUNICATIONS FROM MEMBERS OF THE BOARD OF ALDERMEN

Alderman Rucker – See attached TIF questions. Spoke with Dan Fields editor of the Lake Sun to retract and reprint with more accurate information regarding the TIF.

Alderman Schuman – Thank you Alderman Rucker for all your hard work.

Alderman Becker – Happy 4th see everyone June 27, 2022.

Alderman O'Steen – Read a statement (Lets focus less on the small issues but focus on the larger picture)

Alderman Marose – Thank you Alderman Rucker.

Alderman Ross – Thank to staff for all the hard work on the TIF. Sewer Staffing 9 out 10, Police Staffing – status is same. 911 – 2 in training 6 need 11.

ADJOURN REGULAR MEETING

There being no further business to come before the Board, the meeting adjourned at 8:30 pm. I, Tara Berreth, City Clerk of the City of Osage Beach, Missouri, do hereby certify that the above foregoing is a true and complete journal of proceedings of the regular meeting of the Board of Aldermen of the City of Osage Beach, Missouri, on June 16, 2022, and approved July 7, 2022.



Tara Berreth/City Clerk



Michael Harmison/Mayor

OSAGE BEACH OUTLET MALL TIF REDEVELOPMENT AGREEMENT QUESTIONS AND COMMENTS THAT I WOULD LIKE ADDRESS

1. They must submit to the City's TIF Counsel that Fifty percent (50%) of the space is committed to viable tenants, which can be supported with signed letters of intent, signed leases or other written verification of such tenants.
The Developer has stated that it will not seek or be able to obtain LOIs or leases from retail tenants until the TIF is approved. Nonetheless, the Developer did provide three LOIs – (1) an unsigned LOI for the surf concept, (2) a “letter of interest” for a 120-room hotel and an unspecified amount of entertainment space and (3) a “letter of interest” for an unspecified amusement use. What about must satisfy this within ____ days of TIF approved and what is reasonable?
2. The TIF Applications requested the issuance of bonds, they will be required to demonstrate that the payments in-lieu of taxes and/or the economic activity taxes expected to be generated will be sufficient to provide a debt coverage factor of at least 1.25 times the projected debt service. These needs verified by City staff or city consultants. *Staff and consultants are analyzing. However, without identification of specific tenants, it is difficult put much credence in current projections. TIF Bonds should not be issued until specific tenants are identified and a formal revenue study based on the committed tenants can be prepared. TIF Bonds will not be issued until specific tenants are identified and a formal revenue study based on the committed tenants can be prepared to meet this requirement.*
3. The maximum of public financing (TIF, NIDS, ETC) is 15% for bonds, any additional financial needs identified will be pay as you go after the bond payment is made each month with 12 months reserve. Based on the \$186,045,787 total we bond \$27,906,867. The remaining would be pay as you go after the bond payments are made and there is a 12-month reserve. *The Developer is proposing that the total amount of TIF/CID/TDD/GIF/etc be bonded. Even if \$60+ million of bonds are issued, the TIF Act and Redevelopment Plan will only permit approximately \$18m to be paid from TIF Revenues. This type of structuring is fairly common when projects have multiple revenue streams pledged to a bond issue. So, we only sell bonds for the 18 m and they procure financing for the rest using those means to pay it off.*
4. The request for Sales tax exemption will be for purchases made within the city limits only. *By State law, the exemption applies to purchases of construction materials made anywhere. Both state and local sales taxes are exempted. I understand the law, but we are limiting them to where they can use our tax exemption our city only.*
5. The developer will show proof of their equity (minimum 15%) that they are putting into the project. *We have not seen any evidence of equity commitment yet. We can make it a requirement in the Redevelopment Agreement. Put this in the Redevelopment Agreement*
6. The maximum life of the TIF Bond and Pay as you go portion is 15 years total. *Developer is requesting 23 years of TIF (27 years of CID and 30 years of TDD). These durations are permitted by state law. Per Redevelopment Agreement we limit them to 15 years per our guidelines that they were provided with from the beginning.*
7. The developer has represented that other parties would develop the apartments, hotel, and possible other areas. These needs clarified and showed proof of commitments from other developers, with the amount of each of these. *Agree. Information on these topics is severely lacking. Include this in Redevelopment Agreement.*
8. The estimate Redevelopment cost Exhibit 4 page 4-2 from the redevelopment plan needs filled out entirely. *It was requested and the response we got from IRR was that they did not intend to complete it. FWIW, the project is at a preliminary stage and, even if filled out, there m This must be included in the Redevelopment Agreement with supporting documentation.*
8. The pro forma provided by the Developer in the Cost/Benefit Analysis as evidence of the “But For” – Economic Feasibility Analysis leaves the following questions.
 - A. The line item “Development Costs” in the “Budget Summary” should be explained. Is this amount a fee the developer pays to themselves? *Developer fees are common practice and are intended compensate a Developer for the overhead and development expertise that they bring to a project. However, Developer fees can become excessive. We can seek to limit the amount that can be reimbursed from TIF as part of the Redevelopment Agreement. Yes we need to limit this and I would have to look for professional gaudiness as do not want it open end.*

B. The pro forma appears to indicate that the developer seeks to structure triple-net leases that pass all property tax and utility taxes to tenants, but the pro forma does not indicate the lease rates per square foot for the project. What is the total sq. foot lease? *Defer to PGAV*

C. The pro forma does not indicate where the rents come from? How much from retail, restaurant, and entertainment uses? *Defer to PGAV*

D. How much will the developer get from bank financing. How much from investor financing? *The proforma does not identify.*