

AN ORDINANCE OF THE CITY OF HANNIBAL ESTABLISHING  
THE SZC DEVELOPMENT DISTRICT, INC, COMMUNITY  
IMPROVEMENT DISTRICT AT LAKESIDE DRIVE FOR THE  
PURPOSE OF ROAD AND HOTEL INFRASTRUCTURE COSTS

MARCH 3, 2015

*Angelica N. Vance MRCC*  
\_\_\_\_\_  
ANGELICA N. VANCE, MRCC- CITY CLERK

**BILL NO. 15-003**  
*(AS AMENDED)*

**ORDINANCE NO. 4687**

**FIRST READING: 01.20.2015**

**SECOND READING: 03.03.2015**

**AN ORDINANCE OF THE CITY OF HANNIBAL ESTABLISHING THE SZC DEVELOPMENT DISTRICT, INC, COMMUNITY IMPROVEMENT DISTRICT AT LAKESIDE DRIVE FOR THE PURPOSE OF ROAD AND HOTEL INFRASTRUCTURE COSTS**

**WHEREAS**, Pursuant to the provisions of RSMo 67.1401 to 67.1571, **The Community Improvement District Act** (“the Act”), SCZ DEVELOPMENT, LLC (the “Developer”) submitted a plan (the “Development Plan”), which is attached hereto as Exhibit “A” for the development of street improvements and related improvements in the Community Improvement District Area; and

**WHEREAS**, A proper Petition pursuant to the requirements of RSMo 67.1421 has been filed with the Municipal Clerk by the Developer, requesting that the SZC DEVELOPMENT DISTRICT, INC, COMMUNITY IMPROVEMENT DISTRICT (“the District”) be established in the City of Hannibal, and a copy of the Amended Petition is attached hereto as Exhibit “B1”; and

**WHEREAS**, pursuant to the Act, the City properly notified the affected taxing jurisdictions, landowners and the public of their right to participate in a public hearing on the Development Plan in accordance with the Act; and

**WHEREAS**, a public hearing on the Development Plan and the Community Improvement District was held before the City Council on January 20, 2015 and March 3, 2015 for the amended petition where all interested parties were provided with an opportunity to present evidence and provide testimony regarding the proposed Development Plan and the Community Improvement District on said date, the City Council having heard and considered the comments and other evidence adduced at the public hearing, closed the public hearing; and

**WHEREAS**, the City Council desires to approve the Development Plan and Amended Petition, designating The SZC DEVELOPMENT DISTRICT, INC, COMMUNITY IMPROVEMENT DISTRICT, all as provided for and in accordance with the provisions of the Act.

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

**SECTION ONE:** That the tracts of land described in the Petition filed by the Developer with the City Clerk as Exhibit "A" therein, are hereby designated as The SZC DEVELOPMENT DISTRICT, INC, COMMUNITY IMPROVEMENT DISTRICT;

**SECTION TWO:** The Development Plan, a copy of which is attached hereto as "Exhibit A," is hereby approved and adopted.

**SECTION THREE:** That the City Council hereby finds that the SZC DEVELOPMENT DISTRICT, INC, COMMUNITY IMPROVEMENT DISTRICT meets all of the requirements for the designations as a Community Improvement District under the Act.

**SECTION FOUR:** SCZ DEVELOPMENT, LLC will be the developer of the Development Project.

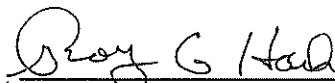
**SECTION FIVE:** That this ordinance shall be in full force and effect from and after the date of its passage and approval.

**SECTION SIX:** It hereby is declared to be the intention of the City Council that each and every part, portion and sub-portion of this Ordinance shall be separate and severable from each and every other part, portion or sub-portion hereof and that the City Council intends to adopt each said part, portion or sub-portion separately and independently of any other part, portion or sub-portion. In the event that any part of this Ordinance shall be determined to be or to have been unlawful or unconstitutional, the remaining parts, portions and sub-portions shall be and remain in full force and effect.

**SECTION SEVEN:** All ordinances and parts of ordinances in conflict with this ordinance, in so far as they conflict, are hereby repealed.

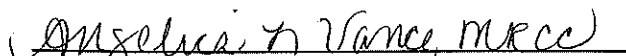
Adopted this 3rd day of March, 2015.

Approved this 3rd day of March, 2015.



Roy G. Hark, Mayor

**ATTEST:**



Angelica N. Vance, MRCC - City Clerk

## SZC Hotels, LLC (Hotel)

## SZC Development, LLC (Road)

There is a strong need for middle/upper scale hotel rooms in Hannibal, Missouri. We are starting construction on a 34,000 square foot Sleep Inn Hotel development west of Fiddlesticks restaurant. As part of our hotel development, we will build a portion of the north access road to the city's proposed business park. That portion of the road will run the length of our development, entrance plus 450', but does represent the first leg of the business park road into the park. This should help get the new proposed park up and running.

Our costs to construct the access road will be \$351,000.00, which was not figured in our construction costs and hotel infrastructure costs are \$346,000.00. This totals \$697,000.00.

We request the use of two economic development tools to accommodate the business park road we're building, and help us recoup our hotel infrastructure costs. First, we would like to establish a community improvement district, to include our property alone. In this community improvement district, we propose a special 1% sales tax – a tax we are willing to impose upon ourselves, and a room tax of \$0.50 (50 cents) per room. Though Community Improvement Districts are limited to a 1% sales tax, we actually desire a 1.5% CID sales tax. Therefore, we propose the room fee to effectively increase taxation to a level equal to 1.5%. This will generate \$348,500.00 in revenue over a 15 year period.

A total equivalent to 1.5% is important to us, because we are also asking the city to enter into a sales tax rebate program of 1.5% (to be fair, we want to tax ourselves in the same amount we are requesting from the city). City sales taxes add-up to 2.25%. If 1.5% of that city sales tax could be rebated in an agreement, for infrastructure, we would be asking the city to impose upon itself the same figure we are imposing upon ourselves – the equivalent of 1.5% in each case. This would generate \$348,500.00 over the same 15 year period.

Together these tools are expected to create a revenue source of \$697,000.00, repaying the \$697,000.00 in 15 years. If we collect the \$697,000.00 faster than the 15 years due to increased sales and inflation, then the economic tools will cease.

A CID is created by filing a petition with the municipality. The petition must be signed by 50% of all owners in the proposed district who collectively own 50% of the assessed value in the district. The petition must include a five year-plan that describes its purpose, the services it will provide, improvements it will make, and an estimate of the costs of the project. Once the petition is filed, the city council holds a public hearing, and may approve the creation of the district by ordinance.

The sales tax rebate agreement would be drafted by our attorneys (at our expense), for review by your city attorney. It would provide for a city rebate of 1.5% over a 15 year period. All CID work will be prepared at our expense as well. Though a final vote occurs after public hearings and all information, if the city council is open to this concept, we would like to proceed. If the city is not open to this concept, we'd hate to waste our time and legal resources.

We feel the hotel development will be a very positive asset for the city of Hannibal. In addition it will help jump start Hannibal's newest industrial park.

\*When the road is complete we will deed it over to the city.

# SZC DEVELOPMENT, LLC.

## TOTAL ROAD COST:

Land Cost	175,000
Engineering Fees	8,000
Road Construction	165,000
Permanent Seeding	3,000
<hr/>	
Total	351,000

# SCZ HOTELS, LLC.

## SALES PROFORMA

HOTEL SCHEDULED TO OPEN APRIL 2015

Year: 1	1,600,000
2	1,664,000
3	1,730,560
4	1,799,782
5	1,871,773
6	1,946,644
7	2,024,510
8	2,105,490
9	2,189,710
10	2,277,298

# SZC Hotels, LLC.

## TOTAL HOTEL COST:

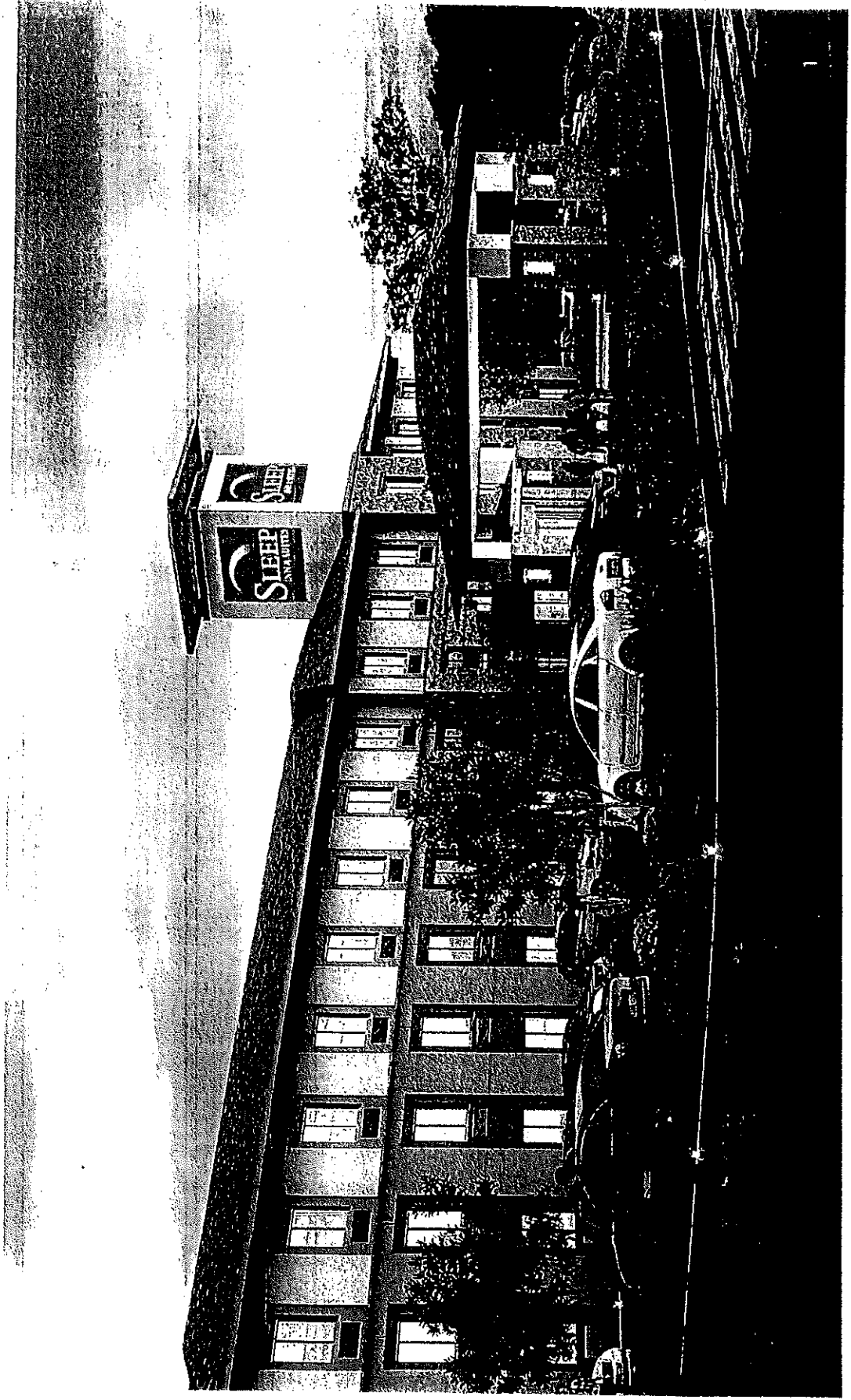
Land Cost	106,250
Engineering Fees	20,000
Architectural Fees	71,000
Legal Fees	2,000
Franchise Fee	25,000
Franchise Sign	30,000
Construction Costs	3,231,522
Construction Loan Interest	80,000
Landscaping	20,000
FFE	500,000
<hr/>	
Total	4,085,772

## TOTAL HOTEL INFRASTRUCTURE COST

346,000

This figure is included in construction costs above





## FIVE YEAR PLAN FOR PROPOSED DISTRICT

The proposed district will develop infrastructure which will support the construction of a 34,000 sq. ft. Sleep Inn hotel development west of Fiddlesticks Restaurant in Hannibal, Missouri.

The district will build a portion of the north access road to the City's proposed business park. That portion of the road will run the length of the development, entrance, plus 450 feet, and would represent the first leg of the business park road into the business park.

The cost to construct the access road will be \$351,000.00. This road cost is determined as follows:

Land Cost	\$175,000.00
Engineering Fees	8,000.00
Road Construction	165,000.00
Permanent Seeding	3,000.00

The district would impose a special one cent sales tax and a room tax of fifty cents per room. This would generate \$348,500.00 in revenue over a fifteen year period. Upon the collection of the \$348,500.00 the community district would move to terminate its existence.

**PETITION FOR THE CREATION OF A  
COMMUNITY IMPROVEMENT DISTRICT**

To the City of Hannibal, Missouri:

The undersigned (the "Petitioners") are the owners or representatives of the owner of record of more than fifty percent (50%) (a) by assessed value of all real property within the hereinafter described community improvement district, and (b) per capita of all owners of real property within the hereinafter described community improvement district. The Petitioners hereby file this Petition for Creation of a Community Improvement District (the "Petition") and request that the City of Hannibal, Missouri (the "City"), create a community improvement district as described herein, to be known as the SZC DEVELOPMENT DISTRICT, INC. (the "District"), pursuant to the authority of the Community Improvement District Act, Sections 67-1401 to 67-1571 of the Revised Statutes of Missouri, as amended (the "CID Act").

1. The proposed District is contiguous and is entirely within the corporate boundaries of the City.
2. A legal description of the proposed District is set forth in **Exhibit A**, attached hereto and incorporated herein by reference. A boundary map of the proposed District is set forth as **Exhibit B**, attached hereto and incorporated herein by reference.
3. The total current assessed value of all real property located within the proposed District is \$90,000.00. SZC Properties, LLC, a Missouri limited liability company, and SZC Development, LLC, are the owner of all 1.7 acres, more or less, within the proposed District.
4. The proposed District shall be formed as a non-for-profit corporation, the Board of Directors of which shall be composed of five (5) members as listed below. Successive Directors shall be appointed by election of the board of the not-for-profit.

<b>NAME</b>	<b>ENTITY REPRESENTED</b>	<b>INITIAL TERM</b>
Stan Smith	SZC Hotels, LLC	5 yrs.
Kelly Smith	SZC Hotels, LLC	5 yrs.
Gary Zimmer	SZC Development, LLC	5 yrs.
Connie Zimmer	SZC Development, LLC	5 yrs.
Melanie Campbell	SZC Hotels, LLC	5 yrs.

5. The City shall appoint one or more advisors to the Board of Directors of the proposed District. The City's advisor(s) shall have no vote but shall have the authority to participate in all meetings and discussions of the Board of Directors, whether open or closed, and shall have access to all records of the proposed District and its Board of Directors.

6. The proposed District may, upon approval by the qualified voters of the District, impose a CID sales tax (the "Sales Tax") at the rate of one percent (1%) on the receipts from the sale at retail of all tangible personal property or taxable services at retail within the District, if such property and services are subject to taxation by the State of Missouri pursuant to the provisions of Sections 144.010 to 144.525 of the Revised Statutes of Missouri, as amended, except such Sales Tax shall not apply to the sale or use of motor vehicles, trailers, boats or outboard motors nor to public utilities. The District shall also, upon approval by the qualified voters of the District, impose a \$.50 per room tax on all occupied hotel rooms on a per diem basis.

7. A five-year plan for the proposed District is set forth as **Exhibit C**, attached hereto and incorporated herein by reference, which includes a description of the public improvements to be undertaken by the proposed District (the "Project"). The Project consists generally of the following: construction of a section of the north access road to the City's proposed business park consisting of approximately 450 feet.

8. The Project to be undertaken by the proposed District will facilitate the proposed commercial/retail development to be constructed within the District (the "Development"). A concept site plan for the proposed Development and the proposed Project is set forth in **Exhibit D**, attached hereto and incorporated herein by reference. It is anticipated that the Project and the Development will be completed within one year from the date of commencement. Thereafter, no additional projects may be undertaken by the District except upon prior approval of the qualified voters of the District.

9. The estimated cost of the Project is \$351,000.00, exclusive of costs related to any authorized indebtedness of the District, including the issuance and repayment of any obligations issued by the District and interest thereon. It is anticipated that the District will finance the Project through the issuance of its obligations (the "Obligations"), which Obligations will be repaid out of the net proceeds of the Sales Tax. Initially, it is anticipated that the District will issue its revenue notes (the "Notes") as the Petitioners incur the costs associated with the Project. The Notes will be repaid out of the net proceeds of the Sales Tax upon completion of the Development or out of the net proceeds of the District's revenue bonds (the "Bonds") issued to refund part or all of the Notes. Based upon the current assumptions contained in the five-year plan, the net

proceeds of the Sales Tax may not be sufficient to pay all of the Notes issued to finance the Project.

10. Petitioners are not seeking a determination that the proposed District, or any portion thereof, is a blighted area.

11. The District is anticipated to be in existence for twenty years from the date of the City's ordinance approving creation of the District.

12. Petitioners do not seek limitations on the borrowing capacity of the District.

13. The Petitioners do not seek limitations on the revenue generation of the District, except as provided in this Petition.

14. The District shall not have the power of eminent domain.

15. The Petitioners do not seek limitations on the powers of the District, except as otherwise provided in this Petition. Accordingly, the District shall have all powers provided in the CID Act to the extent such powers are not otherwise prohibited by this Petition.

16. The signatures of the signers of this Petition may not be withdrawn later than seven days after this Petition is filed with the City Clerk.

17. Petitioners respectfully request that the proposed District be established pursuant to the CID Act.

18. The current assessed valuation of the proposed District is \$90,000.00.

Dated this 4<sup>th</sup> day of September, 2014.

(The bottom of this page intentionally left blank.)

**PETITIONER:**

PROPERTY OWNER: SZC HOTELS, LLC 618-830-1624

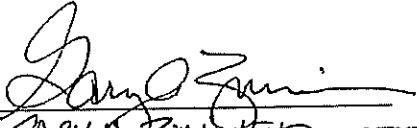
ADDRESS: 105 Lakeside Drive, Hannibal, MO 63401

MAP/PARCEL NO.:

ASSESSED VALUE: \$34,000.00

By executing this Petition this 4th day of September, 2014, the undersigned represents and warrants that he or she is authorized to execute this Petition on behalf of the property owner named immediately above.

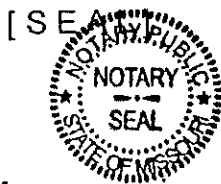
SZC HOTELS, LLC

BY:   
GARY A. ZIMMER MEMBER

STATE OF MISSOURI    )  
  ) ss.  
COUNTY OF MARION    )

Before me personal appeared Gary Zimmer, to me personally known to be the individual described in and who executed the foregoing instrument.

WITNESS my hand and official seal this 4th day of September, 2014.



DAWN E. BROOKS  
NOTARY PUBLIC, STATE OF MISSOURI  
County Of Ralls    Notary Public  
Commission #13705663  
My Commission Expires 5/20/2017



My commission expires: \_\_\_\_\_

EXHIBIT 'A'

LEGAL DESCRIPTION

PARCEL A:

Part of the North Half (N 1/2) of the Northeast Quarter (NE 1/4) of Section Twenty-Seven (27) in Township Fifty-Seven (57) North, Range Five (5) West, in the City of Hannibal, Marion County, Missouri, being more particularly bounded and described as follows, to wit:

Commencing at the Northeast corner of Section Twenty-Seven (27); thence along the East line of said Section Twenty-Seven (27) South 00 degrees 03 minutes and 51 seconds East 454.94 feet to a 5/8 inch iron pin on the South right of way of U.S. Route #36; thence leaving said East line South 87 degrees, 22 minutes and 22 seconds West 80.08 feet to a 5/8 inch iron pin at the point of beginning; thence leaving said right of way South 00 degrees 03 minutes and 51 seconds East 350.00 feet to a 5/8 inch iron pin; thence South 87 degrees 22 minutes and 22 seconds West 199.92 feet to a 5/8 inch iron pin; thence North 00 degrees 02 minutes and 28 seconds West 350.00 feet to a 5/8 inch iron pin set on said South right of way; thence along said right of way North 87 degrees 22 minutes and 22 seconds East 199.92 feet to the point of beginning, containing 1.61 acres, more or less, with the above described tract being subject to and having the benefit of any easements and rights of way now of record or not of record, if any.

PARCEL B:

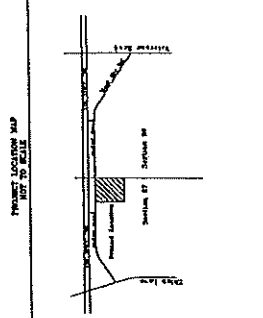
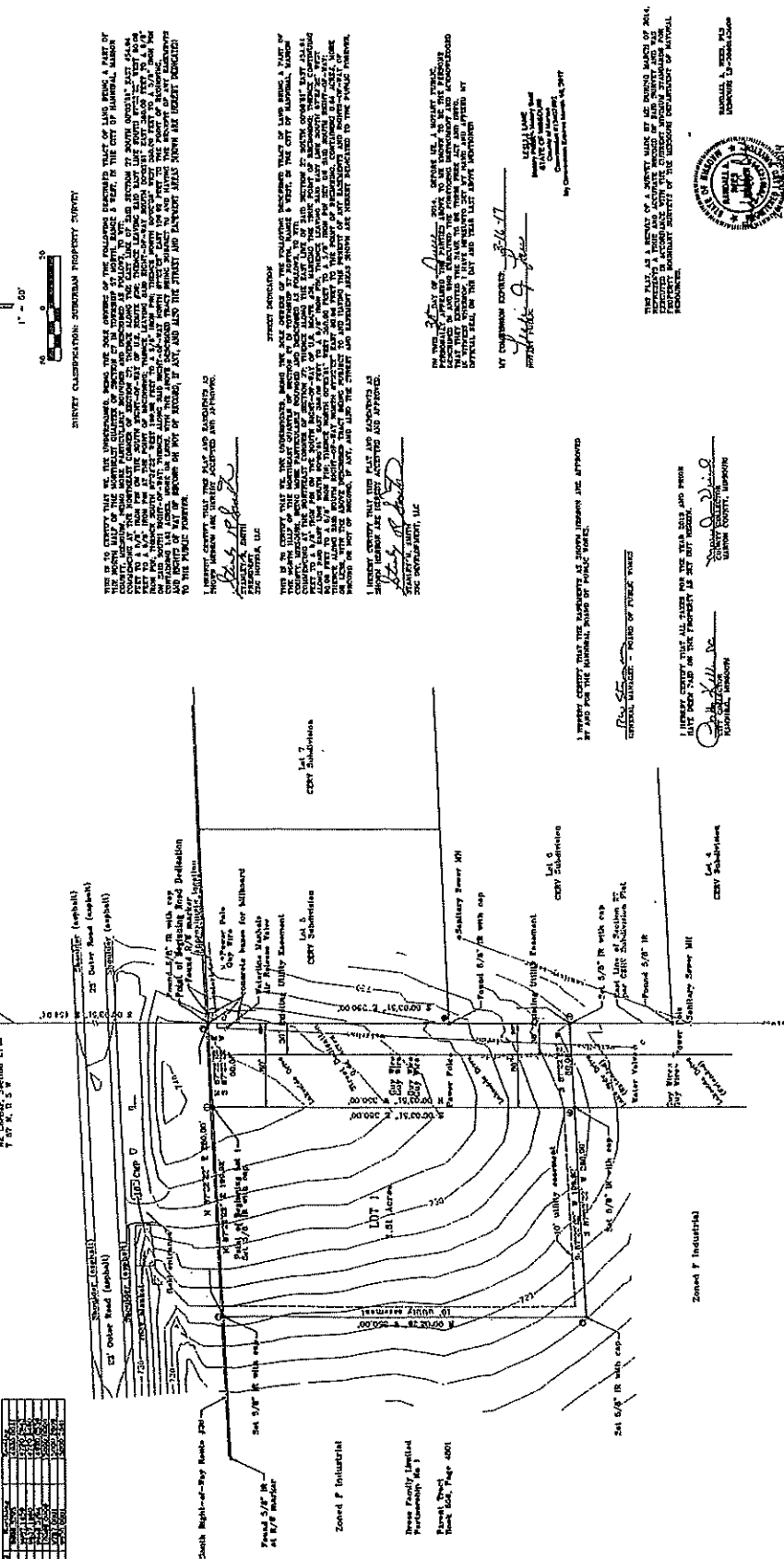
Part of the North Half (N 1/2) of the Northeast Quarter (NE 1/4) of Section Twenty-Seven (27) in Township Fifty-Seven (57) North, Range Five (5) West, in the City of Hannibal, Marion County, Missouri, being more particularly bounded and described as follows, to wit:

Commencing at the Northeast corner of Section Twenty-Seven (27); thence along the East line of said Section Twenty-Seven (27) South 00 degrees 03 minutes and 51 seconds East 454.94 feet to a 5/8 inch iron pin on the South right of way of U.S. Route #36, marking the true point of beginning; thence continuing along said East line South 00 degrees 03 minutes and 51 seconds East 350.00 feet to a 5/8 inch iron pin; thence leaving said East line South 87 degrees 22 minutes and 22 seconds West 80.08 feet to a 5/8 inch iron pin; thence North 00 degrees 03 minutes and 51 seconds West 350.00 feet to a 5/8 inch iron pin set on said South right of way; thence along said South right of way North 87 degrees 22 minutes and 22 seconds East 80.08 feet to the point of beginning, containing 0.64 acres, more or less, with the above described tract being subject to and having the benefit of any easements and rights of way of record or not of record, if any.

EXHIBIT B

Sleep Inn Hotel Subdivision

A SUBDIVISION OF A TRACT OF LAND BEING A PART OF THE ...  
IN THE CITY OF INDIANAPOLIS, CLATSOP COUNTY, INDIANA



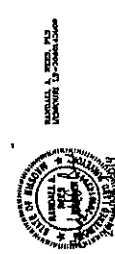
SHRIVER CLASSIFICATION: SUBDIVISION PROPERTY SURVEY

THIS IS TO CERTIFY THAT THE UNDERSIGNED, BEING THE true owner of the following described tract of land, ...  
... has caused the same to be surveyed and subdivided as herein shown and to be recorded in the ...  
... office of the County Clerk of the County of ... Indiana.

STATE OF INDIANA  
COUNTY OF CLATSOP  
I, ...  
do hereby certify that the above and foregoing are true and correct.

BY Commission Expires ...  
...

RECEIVED BY: R. Rees  
DATE: May 1, 2014  
PROJECT NO: 1448-100



THIS PLAN IS HEREBY ACCEPTED AND APPROVED BY THE CITY OF INDIANAPOLIS, INDIANA, CLATSOP COUNTY, INDIANA.  
...

I HEREBY CERTIFY THAT ALL TAXES FOR THE YEAR ... AND THAT ...  
I HEREBY CERTIFY THAT THE MAPS HEREON AS SHOWN THEREON ARE APPROVED ...  
FOR THE ...

TABLE WITH 4 COLUMNS AND 6 ROWS, CONTAINING SURVEY DATA AND NOTES.

Zoned F Industrial  
These Parcels Limited  
Participation As ...  
...



BILL NO. 15-003  
(as amended)

ORDINANCE NO. \_\_\_\_\_

VOID

FIRST READING: \_\_\_\_\_

SECOND READING: \_\_\_\_\_

**AN ORDINANCE OF THE CITY OF HANNIBAL ESTABLISHING THE SZC DEVELOPMENT DISTRICT, INC, COMMUNITY IMPROVEMENT DISTRICT AT LAKESIDE DRIVE FOR THE PURPOSE OF ROAD AND HOTEL INFRASTRUCTURE COSTS**

**WHEREAS**, Pursuant to the provisions of RSMo 67.1401 to 67.1571, **The Community Improvement District Act** (“the Act”), SCZ DEVELOPMENT, LLC (the “Developer”) submitted a plan (the “Development Plan”), which is attached hereto as Exhibit “A” for the development of street improvements and related improvements in the Community Improvement District Area; and

**WHEREAS**, A proper Petition pursuant to the requirements of RSMo 67.1421 has been filed with the Municipal Clerk by the Developer, requesting that the SZC DEVELOPMENT DISTRICT, INC, COMMUNITY IMPROVEMENT DISTRICT (“the District”) be established in the City of Hannibal, and a copy of the Petition is attached hereto as Exhibit “B”; and

**WHEREAS**, pursuant to the Act, the City properly notified the affected taxing jurisdictions, landowners and the public of their right to participate in a public hearing on the Development Plan in accordance with the Act; and

**WHEREAS**, a public hearing on the Development Plan and the Community Improvement District was held before the City Council on January 20, 2015 <sup>and again on March 3, 2015</sup> <sup>where</sup> and all interested parties were provided with an opportunity to present evidence and provide testimony regarding the proposed Development Plan and the Community Improvement District on said dates, the City Council having heard and considered the comments and other evidence adduced at the public hearing, closed the public hearing; and

**WHEREAS**, the City Council desires to approve the Development Plan and designate The SZC DEVELOPMENT DISTRICT, INC, COMMUNITY IMPROVEMENT DISTRICT, all as provided for and in accordance with the provisions of the Act. <sup>and amended petition</sup>

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

**SECTION ONE:** That the tracts of land described in the Petition filed by the Developer with the City Clerk as Exhibit "A" therein, are hereby designated as The SZC DEVELOPMENT DISTRICT, INC, COMMUNITY IMPROVEMENT DISTRICT;

**SECTION TWO:** The Development Plan, a copy of which is attached hereto as "Exhibit A," is hereby approved and adopted.

**SECTION THREE:** That the City Council hereby finds that the SZC DEVELOPMENT DISTRICT, INC, COMMUNITY IMPROVEMENT DISTRICT meets all of the requirements for the designations as a Community Improvement District under the Act.

**SECTION FOUR:** SCZ DEVELOPMENT, LLC will be the developer of the Development Project.

**SECTION FIVE:** That this ordinance shall be in full force and effect from and after the date of its passage and approval.

**SECTION SIX:** It hereby is declared to be the intention of the City Council that each and every part, portion and sub-portion of this Ordinance shall be separate and severable from each and every other part, portion or sub-portion hereof and that the City Council intends to adopt each said part, portion or sub-portion separately and independently of any other part, portion or sub-portion. In the event that any part of this Ordinance shall be determined to be or to have been unlawful or unconstitutional, the remaining parts, portions and sub-portions shall be and remain in full force and effect.

**SECTION SEVEN:** All ordinances and parts of ordinances in conflict with this ordinance, in so far as they conflict, are hereby repealed.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

*[Handwritten signature]*

\_\_\_\_\_  
Roy G. Hark, Mayor

**ATTEST:**

*[Handwritten signature]*

\_\_\_\_\_  
Angelica N. Vance, MRCC - City Clerk

**AMENDED  
PETITION FOR THE CREATION OF A  
COMMUNITY IMPROVEMENT DISTRICT**

To the City of Hannibal, Missouri:

The undersigned (the "Petitioners") are the owners or representatives of the owner of record of more than fifty percent (50%) (a) by assessed value of all real property within the hereinafter described community improvement district, and (b) per capita of all owners of real property within the hereinafter described community improvement district. The Petitioners hereby file this Petition for Creation of a Community Improvement District (the "Petition") and request that the City of Hannibal, Missouri (the "City"), create a community improvement district as described herein, to be known as the SZC DEVELOPMENT DISTRICT, INC. (the "District"), pursuant to the authority of the Community Improvement District Act, Sections 67-1401 to 67-1571 of the Revised Statutes of Missouri, as amended (the "CID Act").

1. The proposed District is contiguous and is entirely within the corporate boundaries of the City.
2. A legal description of the proposed District is set forth in **Exhibit A**, attached hereto and incorporated herein by reference. A boundary map of the proposed District is set forth as **Exhibit B**, attached hereto and incorporated herein by reference.
3. The total current assessed value of all real property located within the proposed District is \$90,000.00. SZC Properties, LLC, a Missouri limited liability company, and SZC Development, LLC, are the owner of all 1.7 acres, more or less, within the proposed District.
4. The proposed District shall be formed as a political subdivision, the Board of Directors of which shall be composed of five (5) members as listed below appointed by the City of Hannibal. Successive Directors shall be appointed by the municipality.

<b>NAME</b>	<b>ENTITY REPRESENTED</b>	<b>INITIAL TERM</b>
Stan Smith	SZC Hotels, LLC	5 yrs.
Kelly Smith	SZC Hotels, LLC	5 yrs.
Gary Zimmer	SZC Development, LLC	5 yrs.
Connie Zimmer	SZC Development, LLC	5 yrs.
Melanie Campbell	SZC Hotels, LLC	5 yrs.

5. The City shall appoint one or more advisors to the Board of Directors of the proposed District. The City's advisor(s) shall have no vote but shall have the authority to participate in all meetings and discussions of the Board of Directors, whether open or closed, and shall have access to all records of the proposed District and its Board of Directors.

6. The proposed District may, upon approval by the qualified voters of the District, impose a CID sales tax (the "Sales Tax") at the rate of one percent (1%) on the receipts from the sale at retail of all tangible personal property or taxable services at retail within the District, if such property and services are subject to taxation by the State of Missouri pursuant to the provisions of Sections 144.010 to 144.525 of the Revised Statutes of Missouri, as amended, except such Sales Tax shall not apply to the sale or use of motor vehicles, trailers, boats or outboard motors nor to public utilities. The District shall also, upon approval by the qualified voters of the District, impose a \$.50 per room tax on all occupied hotel rooms on a per diem basis.

7. A five-year plan for the proposed District is set forth as **Exhibit C**, attached hereto and incorporated herein by reference, which includes a description of the public improvements to be undertaken by the proposed District (the "Project"). The Project consists generally of the following: construction of a section of the north access road to the City's proposed business park consisting of approximately 450 feet.

8. The Project to be undertaken by the proposed District will facilitate the proposed commercial/retail development to be constructed within the District (the "Development"). A concept site plan for the proposed Development and the proposed Project is set forth in **Exhibit D**, attached hereto and incorporated herein by reference. It is anticipated that the Project and the Development will be completed within one year from the date of commencement. Thereafter, no additional projects may be undertaken by the District except upon prior approval of the qualified voters of the District.

9. The estimated cost of the Project is \$351,000.00, exclusive of costs related to any authorized indebtedness of the District, including the issuance and repayment of any obligations issued by the District and interest thereon. It is anticipated that the District will finance the Project through the issuance of its obligations (the "Obligations"), which Obligations will be repaid out of the net proceeds of the Sales Tax. Initially, it is anticipated that the District will issue its revenue notes (the "Notes") as the Petitioners incur the costs associated with the Project. The Notes will be repaid out of the net proceeds of the Sales Tax upon completion of the Development or out of the net proceeds of the District's revenue bonds (the "Bonds") issued to refund part or all of the Notes. Based upon the current assumptions contained in the five-year plan, the net

proceeds of the Sales Tax may not be sufficient to pay all of the Notes issued to finance the Project.

10. Petitioners are not seeking a determination that the proposed District, or any portion thereof, is a blighted area.
11. The District is anticipated to be in existence for twenty years from the date of the City's ordinance approving creation of the District.
12. Petitioners do not seek limitations on the borrowing capacity of the District.
13. The Petitioners do not seek limitations on the revenue generation of the District, except as provided in this Petition.
14. The District shall not have the power of eminent domain.
15. The Petitioners do not seek limitations on the powers of the District, except as otherwise provided in this Petition. Accordingly, the District shall have all powers provided in the CID Act to the extent such powers are not otherwise prohibited by this Petition.
16. The signatures of the signers of this Petition may not be withdrawn later than seven days after this Petition is filed with the City Clerk.
17. Petitioners respectfully request that the proposed District be established pursuant to the CID Act.
18. The current assessed valuation of the proposed District is \$90,000.00.

Dated this 4<sup>th</sup> day of September, 2014.

(The bottom of this page intentionally left blank.)

**PETITIONER:**

PROPERTY OWNER: SZC DEVELOPMENT, LLC

ADDRESS: 105 Lakeside Drive, Hannibal, MO 63401

MAP/PARCEL NO.:

ASSESSED VALUE: \$56,000.00

By executing this Petition this 27 day of January, 2015, the undersigned represents and warrants that he or she is authorized to execute this Petition on behalf of the property owner named immediately above.

SZC DEVELOPMENT, LLC

BY: Gary Zimmer, MEMBER

STATE OF MO )  
 ) ss.  
COUNTY OF MADISON )

Before me personal appeared Gary Zimmer, to me personally known to be the individual described in and who executed the foregoing instrument.

WITNESS my hand and official seal this 27 day of January, 2015.



Cheryl S Smick  
Notary Public

My commission expires: 5/29/16

**PETITIONER:**

PROPERTY OWNER: SZC HOTELS, LLC

ADDRESS: 105 Lakeside Drive, Hannibal, MO 63401

MAP/PARCEL NO.:

ASSESSED VALUE: \$34,000.00

By executing this Petition this 27 day of January, 2015, the undersigned represents and warrants that he or she is authorized to execute this Petition on behalf of the property owner named immediately above.

SZC HOTELS, LLC

BY: Gary Zimmer, MEMBER

STATE OF MO )

COUNTY OF MARION )

) ss.

Before me personal appeared Gary Zimmer to me personally known to be the individual described in and who executed the foregoing instrument.

WITNESS my hand and official seal this 27 day of January, 2015.



Cheryl S. Smick  
Notary Public

My commission expires: 5/29/16

# SZC Hotels, LLC.

## TOTAL HOTEL COST:

Land Cost	106,250
Engineering Fees	20,000
Architectural Fees	71,000
Legal Fees	2,000
Franchise Fee	25,000
Franchise Sign	30,000
Construction Costs	3,231,522
Construction Loan Interest	80,000
Landscaping	20,000
FFE	500,000

Total

4,085,772

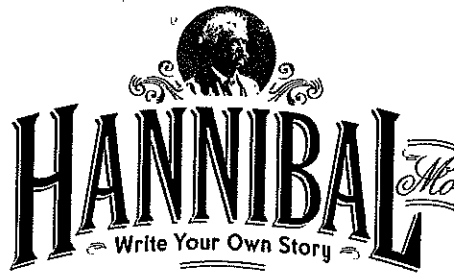
*Estimate of*  
*Costs to* **TOTAL HOTEL INFRASTRUCTURE COST**

*Be Reimb.*  
*By The CID*  
*Task*

346,000

This figure is included in construction costs above





Jeff LaGarce  
City Manager

---

## MEMORANDUM

**To:** Mayor Hark and Members of the Hannibal City Council

**From:** Jeff LaGarce, City Manager

**Re:** Ordinance Establishing a Community Improvement District at the Proposed Sleep-In Hotel Site

**Date:** January 12, 2015

---

On August 5, 2014, Gary Zimmer, Melanie Campbell, and Butch Smith approached the city council to discuss a possible combined *Development Agreement* and *Community Improvement District (CID)* for their site at 105 Lakeside Drive. The Council was amenable to these concepts, and the Development Agreement was approved by the City Council on December 17, 2014.

On December 8, 2014 the city received the Community Improvement District petition from SZC Hotels, LLC, for the establishment of the CID. A CID is a self-sustaining government jurisdiction authorized by statute (and created by locally-elected bodies), where property owners may elect to create this special district and impose particular taxes upon themselves; such funds are then used to accomplish very specific purposes as intended by the District. All this must be outlined in the applicant's petition (which it is).

The public hearing and first reading will be held on January 20, 2015. While the petition is 16 pages in length, the Ordinance accomplishes the following:

1. Creates the District for up to 15 years, subject to property owner approval (vote) to be administered by the City Clerk;
2. Creates the Board of Directors, which are five (5) members of the ownership group;
3. Levies a self-imposed sales tax of 1% within the District (ie. hotel), as well as a 50 cent tax per room;
4. Outlines the specific expenditures to which this tax revenue will be applied; namely, paying-off \$348,500 in capital improvements associated with the development of the hotel;
5. Establishes the duties and limitations of the District.