



TENTATIVE AGENDA

COUNCIL MEETING AND STUDY SESSION
SIKESTON CITY HALL

Thursday, January 22, 2015
8:00 A.M.

- I. CALL TO ORDER
- II. RECORD OF ATTENDANCE
- III. OPENING PRAYER
- IV. ITEMS OF BUSINESS
 - A. Consideration & Approval of Memorandum of Understanding
 - B. 2015 Street & Stormwater Drainage Improvement Program Tour & Discussions
 - C. Other Items As May Be Determined During the Course of the Meeting
- V. ADJOURNMENT

Dated this 20th day of January 2015



Carroll Couch, City Clerk

The City of Sikeston complies with ADA guidelines. Notify Linda Lowes at 471-2512 (TDD Available) to notify the City of any reasonable accommodation needed to participate in the City Council's Meeting.



Council Letter

Date of Meeting: 15-01-22

Originating Department: Department of Economic Development

To the Mayor and City Council:

Subject: Approve MOU – Orgill, Inc. Expansion Project

Attachment: MOU

Action Options:

1. Approve the MOU
2. Other action Council may deem appropriate

Background:

The Sikeston Department of Economic Development has been working with Orgill, Inc. to add 250,000 sq. ft. to their current operations, which will cost the company approximately Ten Million Two Hundred Twenty-five Thousand Dollars (\$10,225,000).

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING ("*MOU*") is made and entered into this ____ day of January 2015, by and among ORGILL, INC. ("*Company*"), with an address of 3742 Tyndale Drive, Memphis, TN 38125; the CITY OF SIKESTON, MISSOURI ("*City*"), with an address of 128 N. New Madrid St., Sikeston, MO 63801; and the MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT ("*MDED*"), with an address of 301 West High Street, Jefferson City, Missouri 65102. The Company, the City, and MDED may be referred to, collectively, as the "*Parties*".

WITNESSETH:

WHEREAS, pursuant to a Memorandum of Understanding dated July 15, 2008 ("*2008 MOU*"), the Parties entered into a transaction for the Company's construction and operation of a distribution facility in Scott County, Missouri ("*Distribution Facility*");

WHEREAS, the Distribution Facility is constructed and operating as anticipated in the 2008 MOU;

WHEREAS, the Parties to this MOU desire that the Company construct and operate an expansion to the Distribution Facility as described in Section V. below ("*Expansion Project*"), on certain real property located in the City and depicted on **Exhibit A** ("*Property*");

WHEREAS, the Company has requested the City and MDED to make certain financial, tax and other commitments for the benefit of the Expansion Project, which commitments are more particularly described elsewhere in this MOU ("*Incentives*"); and

WHEREAS, the City and MDED are authorized to enter into this MOU with the Company pursuant to applicable state laws; and

WHEREAS, the Company's willingness to proceed with the Expansion Project is subject to the completion of the Company's due diligence review of the suitability of the Expansion Project and the Incentives, each to the satisfaction of the Company, in its sole discretion ("*Due Diligence Review*").

NOW, THEREFORE, for and in consideration of mutual benefits and the public interest and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

I. Recitals.

The foregoing recitations are true and correct and are incorporated herein by reference. All exhibits to this MOU are hereby deemed a part hereof.

II. Binding Agreement.

The purpose of this MOU is to establish the material terms of the Expansion Project and the related Incentives among the Company and one or more of the other Parties, the adoption by certain of the Parties of resolutions approving certain aspects of the Expansion Project, and the commencement of construction and development of the Expansion Project by the Company. This MOU shall be deemed to create legally binding obligations.

III. Authority.

This MOU is entered into under the authority of the State of Missouri, and the general powers conferred upon cities by statute and otherwise.

IV. Property Ownership and Development.

- A. Company acknowledges and represents to the City and MDED that it is the sole lessee of the Property and that it is empowered to enter into this MOU. Company shall provide to the other Parties a resolution adopted by the Company's Board, or other corporate documentation reasonably satisfactory to the other Parties, that approves moving forward with the Expansion Project, subject to the Company's Due Diligence Review.
- B. The City is currently the fee simple title holder of the Property. In order to allow the Company to conduct its due diligence review of the Property to determine its suitability for the Expansion Project, the City has granted access rights to the Company and its employees, agents and contractors.

V. Project Description.

In light of present economic, market and technological conditions, and subject to the Company's Due Diligence Review, the Company intends, in good faith, to:

- A. Construct and operate the Expansion Project consisting of approximately 250,000 square feet, together with the initial Distribution Facility for an aggregate Distribution Facility on the Property of approximately 1,050,000 square feet.
- B. Expend approximately Ten Million Two Hundred Twenty-five Thousand Dollars (\$10,225,000) for the Expansion Project and new equipment to serve the Expansion Project. The Company anticipates the funds will be expended no later than December 31, 2015. Other equipment additions may be considered thereafter.
- C. Employ approximately seventy (70) additional full-time permanent employees with a projected total annual payroll of approximately Two Million Three Hundred Twenty-Nine Thousand Six Hundred Dollars

(\$2,329,600) (U.S.), within four (4) years of the commencement of operation of the Expansion Project.

- D. Connect with certain local utilities to supply the needs of the Expansion Project.

VI. Obligations.

A. MDED

The Incentives include an incentive proposal from the MDED dated December 5, 2014, in an approximate amount of Four Hundred Twenty Thousand Dollars (\$420,000) (U.S.); including, but not necessarily limited to, its Missouri Statewide Works Program, and its Missouri Works Training Program. **See Exhibit B.**

B. City

1. Site –

- (a) The Property will continue not to be encumbered by any rights-of-way for offsite stormwater management by the City.
- (b) Fee title to the Property will be held by the City and leased to a Company designated lender at no rent or cost to either the Company, or the Company's designated lender, for the financing and ownership of the Distribution Facility and the Expansion Project.

2. Water Services –

- (a) The normal operating pressures at the Property will continue to be capable of providing fire flows in excess of 3750 gpm for at least 4 hours while maintaining residual pressure above the minimum set by the Missouri Department of Health rules and regulations.
- (b) Billings to the Company for water service shall continue to be in accordance with the City's normal billing rates and procedures.

3. Sewer Services –

- (a) Billings to the Company for sanitary sewer service shall continue to be in accordance with the City's normal billing rates and procedures.

- (b) The City agrees that no sewer lift station will be required to serve the Expansion Project.

4. Permit Fees –

- (a) The Company will pay no new building permit or inspection fees for the Expansion Project.

5. Accelerated Plan Review And Approval Process For The Project Buildings –

- (a) The City requires an initial plan review meeting with the Company for the Expansion Project requiring a permit.
- (b) The City agrees to complete the initial plan review meeting within five (5) calendar days of the Company's submittal of completed plans and specifications for the Expansion Project.
- (c) The City has designated _____ (Name) – _____ (Title), as the primary single source contact for the Company.
- (d) The Company acknowledges that the City has continued to adopt the 1996 BOCA Code for earthquake seismic zone considerations; and the 2000 IBC for industrial facility designs and specifications.
- (e) The City agrees that no internal fire walls, fire tunnels, and/or smoke/heat vents will be required in the Expansion Project; provided that relative to the smoke/heat vents, the Company will provide to the City, from the Company's insurance carrier, acknowledgment that the smoke vents would not be required.
- (f) The City agrees that no elevator will be required for the 2-level office; and that there will be no requirement for any internal wall installation, for the Expansion Project.

6. Zoning Regulations –

The City agrees that the Company's planned use of the Property for the Expansion Project is in compliance with the current zoning for the Property.

7. Declaration Of Protective Covenants –

The City agrees to continue to waive Sections 3.12, 3.17, 3.24 of the Sikeston Business, Technology & Education Park's Declaration of Protective Covenants, as approved by the Sikeston City Council on November 4, 1996; and recorded on November 5, 1996. Relative to Section 3.35, the City recognizes that the outside lighting shall average 5.0 foot candles.

8. Enhanced Enterprise Zone Program –

- (a) The City agrees to use the Enhanced Enterprise Zone Program allowing 100.0% property tax abatement on the Expansion Project for a period of ten (10) years from the time of the Expansion Project's certificate of occupancy, resulting in a Company savings of approximately One Hundred Forty-Seven Thousand Dollars (\$147,000) a year for ten (10) years. **See Exhibit C.**
- (b) The City will obtain from the City Council a Resolution expressing its intent to provide a Enhanced Enterprise Zone Program for the Expansion Project. **See Exhibit D.**
- (c) Subject to State statutes, the Property valuation for property tax purposes shall remain at its current rate until such time as the operation at the Expansion Project is commenced.

C. County

The County officials, including the County Tax Assessor, will work with the Company to determine, in accordance with applicable laws:

- 1. Appropriate assesses valuation for all Expansion Project assets – Expansion Project facility and new equipment.
- 2. Industrial inventory taxes will not be applicable to the Expansion Project facility or new equipment, subject to the existing rules and regulations of the State Freeport Exemption.

D. Equivalent Incentive Package Benefit

In the event a change in state and/or local law occurs that causes a termination of, or diminution in, any state and/or local level incentive package in the MOU, the Parties will negotiate for an equivalent incentive by the state and/or local governments, to the extent allowed by applicable laws, rules or regulations.

E. The Company

Company agrees to expand its existing Distribution Facility by approximately 250,000 square feet; to add approximately seventy (70) additional permanent full-time employees within four (4) years of the certificate of occupancy of the Expansion Project; to incur an approximate additional investment of Ten Million Two Hundred Twenty-Five Thousand Dollars (\$10,225,000) for the Expansion Project and new equipment.

VII. Commitments By Other Utilities/Parties.

A. Additional Electric Services –

To be provided, pursuant to published rates, by the Sikeston Board of Municipal Utilities.

B. Additional Natural Gas Services –

To be provided, pursuant to published rates, by Atmos Energy.

C. Additional Telecommunications Services –

To be provided, pursuant to published rates, by AT&T.

VIII. Rights And Remedies With Respect To Non-Compliance.

By MDED and the City –

The MDED Incentive Proposal Letter dated December 05, 2014, outlines the conditions to be met by the Company. MDED and the Company will also be executing certain formal contracts with agreed upon performance standards. The conditions to be imposed by the City will adhere to the conditions to be met by the Company with MDED.

IX. Assignment Provision By The Company.

None of the Parties may assign this MOU, or any rights, interests, or obligations hereunder, without the prior written consent of all the other Parties; provided, however, such an assignment may be made by the Company, without restriction, to any wholly-owned subsidiary, division, or limited liability company of the Company, upon written notice to the City, and MDED. Subject to the foregoing, this MOU shall be binding upon, and inure to the benefit of the Parties hereto and their respective successors, administrators, trustees, and assigns.

X. Amendments.

No provision of this MOU may be amended without the prior written consent of the Parties described in or affected by the provision to be changed.

XI. Notices.

Any notices required for this MOU shall be given in writing, and shall be deemed delivered when received by U.S. certified mail, United Parcel Service, or Federal Express, at the following addresses (telephone numbers are listed for convenience purposes; not for notice purposes):

- | | | |
|-------------------|---|---|
| If to City | - | Mayor – City of Sikeston 105 E. Center Street Sikeston, MO 63801 Attn: _____ (P) _____ |
| Copy to | - | City Attorney – City of Sikeston 371 N. Kingshighway Sikeston, MO 63801 Attn: Charles Leible (P) 573-471-7007 |
| If to the MDED | - | Director Missouri Department of Economic Development 301 West High Street, Room 680 Jefferson City, MO 65102 Attn: Mike Downing (P) 573-751-4962 |
| If to County | - | Tax Assessor – County of Scott 131 S. Winchester Street Benton, MO Attn: _____ (P) _____ |
| Copy to | - | Finance Officer Missouri Department of Economic Development 200 Madison Street, Suite 1000 Jefferson City, MO 65102 Attn: _____ (P) _____ |
| If to the Company | - | Senior Vice President/General Mgr. Operations Orgill, Inc. 3742 Tyndale Drive |

Memphis, TN 38125
Attn: Randy Williams
(P) 901-522-6110

| | | |
|------------------|---|---|
| Copy to | - | Orgill Counsel Wyatt, Tarrant & Combs 1715 Aaron Brenner Drive, Suite 800 Memphis, TN 38120-4367 Attn: Richard Raines (P) 901-537-1020 |
| If to the Mullis | - | President & CEO J. M. Mullis, Inc. 3743 Tyndale Drive, Suite 101 Memphis, TN 38125 Attn: J. Michael Mullis (P) 901-753-0373 |

XII. Entire Agreement.

This MOU, including Exhibits, the definitive agreements which the Parties will execute, and the resolutions adopted by governmental authorities, contain all agreements and obligations among the Parties.

XIII. Headings and Construction.

The headings used for the Articles, Sections, and Paragraphs of this MOU are for convenience and reference purposes only and shall not affect the meaning or interpretation of any provision hereunder. This MOU has been reviewed and negotiated by the Parties and shall not be interpreted more strongly for or against any Party based upon the source of draftsmanship. All Dollar (\$) amounts listed in this MOU are in U.S. Dollars.

XIV. Counterparts.

This Agreement may be executed by facsimile or electronically exchanged signature pages and/or in any number of counterparts, each of which when so executed shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this Memorandum Of Understanding on the dates set forth:

_____ (Signature)

By: _____
Mayor
City of Sikeston

Date: January _____, 2015

_____ (Signature)

By: _____
City Clerk
City of Sikeston

Date: January _____, 2015

IN WITNESS WHEREOF, the Parties have executed this Memorandum Of Understanding on the dates set forth:

_____ (Signature)

By: _____
Tax Assessor
County of Scott

Date: January _____, 2015

IN WITNESS WHEREOF, the Parties have executed this Memorandum Of Understanding on the dates set forth:

_____ (Signature)

By: Randy Williams
Senior Vice President,
General Mgr. Operations
Orgill, Inc.

Date: January _____, 2015

IN WITNESS WHEREOF, the Parties have executed this Memorandum Of Understanding on the dates set forth:

_____ (Signature)

By: Mike Downing
Director
Missouri Department of Economic Development

Date: January _____, 2015

Exhibits

Exhibit

Identification

- A. Project Property
- B. Missouri Incentive Proposal Letter
- C. City Incentive Proposal Letter
- D. City Council Resolution for Enhanced Enterprise Zone Program

61280119.3

Council Letter

Date of Meeting: 15-01-22

Originating Department: Public Works Department

To the Mayor and City Council:

Subject: Authorization to Proceed with CY2015 Street & Drainage Improvement Program

Action Options:

1. Authorize Staff to Proceed with Street & Drainage Program
2. Other action Council may deem appropriate

Background:

The Public Works Department is ready to proceed with the street and drainage projects for calendar year 2015.

To help explain this issue, you will find three handouts attached to this council letter.

Attachment #1: Budget Discussion

One of the first things to discuss is how much money do we have to spend on street and drainage project this year. This handout lays out the calculations that we used to determine this amount.

We began with the budgeted line item of \$600,000. Then we subtracted items that had been previously committed. This included a final payment for the Kingshighway/Malone intersection project, the local match commitment to the Wakefield Bridge project, and the balance due on the Applegate/John R. Blvd street and drainage project.

This left a balance of \$110,000 from FY2015. Because the street program is constructed over the summer which divides our fiscal year, we also attributed 50% of the anticipated FY2016 budget of \$300,000.

This resulted in a target budget of \$410,000. This will come from a line item in the Transportation Sales Tax budget.

Attachment #2: Projects from FY2015

This second handout shows the projects that are currently still being constructed or were constructed in the last twelve months. For a proper big picture perspective of the projects we

are considering, and their geographic distribution, we felt it was helpful to show where we have been focusing efforts in the last year.

Attachment #3: Street & Drainage Improvement Plan

The final handout is our attempt to show a one page summary of the high priority needs for our community in regards to street and/or drainage improvements. This list was compiled after numerous discussions between me and my street department leadership. These represent everything from large projects to small project that we will complete ourselves. The list is color coded to show which year we are proposing the project be completed. Each line item represents a project. We have included the ward and a preliminary estimate for each line item.

To summarize our plan for this calendar year, we would like to accomplish the following abbreviated list of projects:

- Resurface Helen Street from Pine to Main
- Resurface West North Street from Railroad to North West St.
- Resurface North West from West North to Compress (Microsurfacing Demo Project)
- Construct New Concrete Intersection on Wakefield Ave (Allen & Davis)
- Investigate and Improve Drainage on Davis Blvd
- Reconstruct North and South ends of Illinois at Ables and County Line Rd
- Construct New Concrete Intersections at Kathleen and Scott
- Investigate Drainage Concerns at Maple and Greer

There are several other projects we hoped to include in this list. Unfortunately, funding limits forced us to push several projects back that we would have liked to include this year.

The list for CY2015 has an estimated total of \$417,032. This is more than our target of \$410,000. The higher amount is conservative to allow for the possibility of good bid numbers. We feel best to plan conservatively. If one of our projects has to be pushed back, it can be, but we want to be ready to move forward if the bids are coming in favorably.

This list was presented to the Planning and Zoning Commission on Tuesday, 1/13/15, and the Commission voted to recommend the plan to Council without any modifications.

Should this be approved by Council, we will move swiftly to meet with the Professional Services Committee to assign consultants, and get to work on these projects as soon as possible, so we can get them under contract in the spring.

Budget Discussion

Street & Drainage Plan - FY2015

| | |
|--|------------------|
| FY15 BUDGET | \$600,000 |
| MINUS | |
| Final Payment to Kingshighway/Malone Project | \$47,000 |
| Applegate Project (Including Design/Inspection Fees) | \$368,000 |
| Local Match for Wakefield Bridge Project | \$75,000 |
| REMAINING FY15 FUNDS FOR 2015 SUMMER STREET PROGRAM | \$110,000 |
| PLUS | |
| FY16 Funds for 2015 Summer Street Program | \$300,000 |
| TARGET FOR 2015 SUMMER STREET PROGRAM | \$410,000 |
| | |
| TARGET FOR FUTURE YEARS | \$600,000 |

City of Sikeston
Street & Drainage Improvement Plan
December - 2014

HIGH PRIORITY NEEDS

2015

| Project Description | Street and/or Drainage | Ward | Estimated Construction Cost | Cost Including 11% Engineering | Comments |
|---|------------------------------|------|-----------------------------------|-----------------------------------|--------------------------|
| Helen St Mill Edges & Resurface with Asphalt (Pine to S. Main) | S | 3 | \$65,100 | \$72,261 | |
| W. North St Mill Edges & Resurface with Asphalt (RR to N. West St) | S | 4 | \$23,100 | \$25,641 | |
| N. West St. Microsurface (W. North to Compress) | S | 4 | \$10,000 | \$11,100 | Demonstration Project |
| Wakefield Ave Construct New Concrete Intersections (Davis Blvd and Allen Blvd) | S | 1 | \$207,000 | \$229,770 | |
| Davis Blvd Investigate Drainage Improvements (Wakefield to Salcedo) | D | 1 | \$36,000 | \$39,960 | |
| Illinois St Reconstruct North End (Ables) & South End (County Line) (Approx. 100 LF each location) | S | 3 | | | Internal Project |
| Kathleen & Scott Intersection (Intersection Only with Drainage Improvements) | S&D | 3 | \$30,000 | \$33,300 | |
| Maple @ Greer Drainage Improvements (Pipe Enlargement) | S | 2 | | \$5,000 | Design Only |

2015 TOTAL COST

\$417,032

HIGH PRIORITY NEEDS**2016**

| Project Description | Street and/or Drainage | Ward | Estimated Construction Cost | Cost Including 11% Engineering | Comments |
|--|------------------------------|------|-----------------------------------|-----------------------------------|------------------------------|
| Beard Dr. Reconstruct with Concrete (Cul-De-Sac Only) | S | 2 | \$42,000 | \$46,620 | |
| Wakefield Ave Mill Edges & Resurface with Asphalt (Davis Blvd to Kingshighway) | S | 1 | \$78,000 | \$86,580 | |
| Maple @ Greer Drainage Improvements (Pipe Enlargement) | S | 2 | \$102,000 | \$107,100 | Construction & Inspection |
| Compress Rd Mill Edges & Resurface with Asphalt (Petty to Sunset) | S | 4 | \$52,000 | \$57,720 | |
| College St Mill Edges & Resurface with Asphalt (Main to Taylor) | S | 1 | \$14,400 | \$15,984 | |
| Goodhope St Mill Edges & Resurface with Asphalt (College to US Bank) | S | 1 | \$14,600 | \$16,206 | |
| Baker Lane Mill from Curb to Curb & Resurface with Asphalt (Allen to Kingshighway) | S | 1 | \$40,141 | \$44,557 | |
| Matthews & Maple Reconstruct Intersection | S | 2 | \$30,000 | \$33,300 | |
| Andrea Investigate Drainage Improvements | D | 3 | \$20,000 | \$22,200 | Handle Internally? |
| Scott @ Ruth Reconstruct Intersection | S | 4 | \$30,000 | \$33,300 | |
| Scott @ Gladys Reconstruct Intersection | S | 4 | \$30,000 | \$33,300 | |
| Campanella Mill Edges & Resurface with Asphalt (Linn St to Clinton Bldg.) | S | 2 | \$61,300 | \$68,043 | |
| Campanella Microsurface (Clinton Bldg. to N. Ingram) | S | 2 | \$48,200 | \$53,502 | Demonstration Project |

2016 TOTAL COST**\$618,412**

HIGH PRIORITY NEEDS

| 2017 | Project Description | Street and/or Drainage | Ward | Estimated Construction Cost | Cost Including 11% Engineering | Comments |
|------------------------|---|------------------------|------|-----------------------------|--------------------------------|--------------------|
| | Davis Boulevard Mill from Curb to Curb & Resurface with Asphalt (Wakefield to North St) | S | 1 | \$368,000 | \$408,480 | |
| | Sikes Avenue Mill from Curb to Curb & Resurface with Asphalt (Woodlawn to Wallace) | S | 1 | \$139,200 | \$154,512 | |
| | Pine St Investigate Drainage Improvements (Near Virginia Pine Apartments) | D | 2/3 | \$10,000 | \$11,100 | Handle Internally? |
| 2017 TOTAL COST | | | | | \$574,092 | |

HIGH PRIORITY NEEDS

| 2018 | Project Description | Street and/or Drainage | Ward | Estimated Construction Cost | Cost Including 11% Engineering | Comments |
|------------------------|--|------------------------|------|-----------------------------|--------------------------------|---------------------------------------|
| | S. Kingshighway (Malone to Murray) Mill from Curb to Curb & Resurface with Asphalt (Malone to Murray Lane) | S | 3&4 | \$363,000 | \$402,930 | |
| | Allen Boulevard Mill from Curb to Curb & Resurface with Asphalt (Baker to Salcedo) | S | 1 | \$162,400 | \$91,020 | |
| | Scott Street Mill from Curb to Curb & Resurface with Asphalt (Front St to North St) | S | 1 | \$28,609 | \$31,756 | Wait for Catholic Church Improvements |
| | Matthews Mill from Curb to Curb & Resurface with Asphalt (Main to Pine) | S | 2 | \$54,807 | \$60,836 | |
| | Hardin St Mill from Curb to Curb & Resurface with Asphalt (Kingshighway to Main) | S | 3 | \$56,540 | \$62,759 | |
| 2018 TOTAL COST | | | | | \$649,301 | |

City of Sikeston Street & Drainage Improvement Program

| | Estimated Construction Cost | Cost Including 11% Engineering |
|---------------------------------|-----------------------------|--------------------------------|
| 2015 Total Cost | \$371,200 | \$417,032 |
| 2016 Total Cost | \$562,641 | \$618,412 |
| 2017 Total Cost | \$517,200 | \$574,092 |
| 2018 Total Cost | \$665,356 | \$649,301 |
| Program Totals 2015-2018 | \$2,116,397 | \$2,258,837 |