



**AGENDA ITEM EXECUTIVE SUMMARY**

Agenda Item number: 3.b

Title:

Active River Project Update – Information Only

Presenter:

Chris Adesso

Meeting: Government Services Committee

Date: November 27, 2017

Proposed Cost: \$ N/A

Budgeted Amount: \$ N/A

Not Budgeted:

**Executive Summary** *(if not budgeted please explain):*

The Active River Task Force wishes to provide the Council Committee updates on the status of topics pertaining to the Active River Project/Concept. The Task Force offers the attached information to the Committee. A member of the Task Force will be available at each of the Government Services Committee meetings to respond to any questions or comments that the Council Committee may have.

**Attachments** *(please list):*

\* October 16, 2017 – Task Force Meeting Minutes

**Recommendation/Suggested Action** *(briefly explain):*

None – For information only.

**MINUTES  
ACTIVE RIVER TASK FORCE MEETING  
ST. CHARLES  
JOHN RABCHUK, CHAIRMAN  
OCTOBER 16, 2017**

**Members Present:** Chair. John Rabchuk, Chris Adesso, Trish Beckjord, Rick Brems,  
Holly Cabel, Jim Enck

**Members Absent:** Chris Bong, Monica Meyers, John Wessel

**Others Present:** Phil Held, Ed Werneke, Tony Zehnder, Isabel Soderlind

**1. Call Meeting to Order**

The meeting was convened by John Rabchuk at 8:04 a.m.

**2. Minutes Review and Approval**

Motion was made to accept and place on file the minutes of the September 18, 2017 Active River Task Force meeting minutes.

Motion by Trish Beckjord second by Holly Cabel, to accept and place the minutes on file.

Voice vote: Ayes: unanimous; Nays – None Absent: Chris Bong, Monica Meyers, John Wessel

Motion carried at 8:05 a.m.

**3. Delegation to Greenville, South Carolina – St. Charles Delegation Update & Discussion**

**A. Notes from Attendees**

Two members of this Task Force, John Rabchuk and Holly Cabel, attended the delegation to Greenville, South Carolina the beginning of October. The delegation also included various City officials, St. Charles Park District Board members and several civic/business leaders. John and Holly shared their impressions and impact of the visit with the Active River Task Force members. (See detailed comments attached.) Comments during the meeting included the following:

**General/Initial Impressions:**

- Greenville's population is approximately 55,000 in size, with 500,000 living within the county.
- It was a very good trip that John Rabchuk felt couldn't have gone better. The meeting included the Greenville council, staff and members of the community.
- There are a great number of sculptures and water features included throughout the downtown area.
- It is more than the creek/river; the area was beautiful!

- The suspension bridge built is unique and offers unobstructed view of the river.
- The parks are maintained by the Parks and Recreation department under the direction of the city.
- The area was pristine; all maintained by ground crews. The crews clean the area and public restrooms twice a day. The employees are the epitome of customer service; they would stop pedestrians and asked if they needed help or assistance. They were very helpful and courteous.
- The community is very happy and satisfied with how the project turned out.
- Greenville's governmental body is structured differently than St. Charles.
- Those business related members of the delegation were ecstatic with the visit i.e., WBK, Hitchcock.
- The delegation members from the St. Charles Park District were very enthused with the visit but they also had some questions.

#### **Purpose of the Project:**

- The project was driven by Mayor Knox. He took the initiative to move the project forward. He had the vision and was emotionally invested in this project. He personally endorsed the project to the community and businesses in Greenville.
- The project was not only about beautifying the area, but also building the culture in the downtown area i.e., extremely friendly, very clean, the epicenter of events, activities, dining, etc.
- Mayor Knox's intention for the project was to increase the walkability in town; to get people walking around town, interacting, enjoying the beautiful features of the downtown. He wanted to bring more people back to the area for work and leisure activities.
- Mayor Knox followed the "8-80 Rule". He wanted the project designed for people from 8 to 80 years of age, which would include everyone in between those ages.

#### **Construction of the Project Included:**

- The project included the removal of a five lane highway and land bridge going through the downtown area.
- There was some work done to the river. The river did not have a dam, but it was diverted to increase the water flow in certain areas.
- Currently, Greenville is considering incorporating some whitewater, by acquiring more land upstream. They are calling it the North River Project.

#### **Finance:**

- Approximately, 80% to 90% of the project is bonded, approximately \$11,000,000. Other existing city funds assisted in covering the remainder of the costs.
- The mayor guaranteed property taxes were not going to be utilized for the construction project.

- Greenville had created other funding sources: “hospitality/accommodation” tax. This generated funding for the project. There was very little push back from hotels, restaurants and bars since the project would eventually generate traffic flow and revenue.
- Greenville also received state funds for the project.
- The City of Greenville needed a firm proposal for the project; therefore the city paid for the design of the project. They then went to the bank to cover the construction costs.
- Philanthropic monies were used to cover the cost of sculptures, benches, landscaping, etc.; they were not utilized for the construction portion of the project.
- The project has surpassed the projection of generated revenue and it increases by 7% each year.
- Taxes are generating \$16 to \$17 million a year and grown at over 7% annually. This pays for the zoo, bonding notes, and parks.
- With a local airport 20 to 30 minutes away, the project has been attracting tourism from a vast area.
- The delegation received various ideas on funding sources.

#### **Downside:**

- Property values are going up and local workers can’t afford to live in town.
- The city is landlocked and can only be built “up” now.
- The City’s operations budget would be impacted to maintain the area at the level it is maintained in Greenville. Falls Park is comprised of 27 acres with 13 full time employees dedicated to Falls Park and Main Street.

#### **Where are we today?**

- There has been no feedback regarding the visit to Greenville from the City staff and that has been disappointing for the members of this Task Force. John Rabchuk has reached out to Ed Bessner, Rita Tungare and Mark Koenen, but he has not received any feedback. John felt the visit could not have gone any better. The City needs to drive this project.
- The City’s buy-in on this project is necessary to make it successful.
- Holly Cabel mentioned she has a follow up meeting set up with Mark Koenen to discuss the visit.
- John Rabchuk has distributed his notes with Rita Payleitner who has been a supporter of the project. (See attached notes from John Rabchuk.)

#### **Strategies Considered Moving Forward:**

- Consider including Geneva and Batavia in the project discussions.
- Consider holding a conference call with another river project city, e.g., Columbus to see how they conducted and funded their river project. This might offer some other perspectives and options.
- The project may need to be “promoted” to the aldermen. Should this Task

Force get influential business members from the community to rally around the project and request a meeting with Mayor Rogina and Mark Koenen and/or submit a letter to support the project?

- Include influential organizations e.g., Chamber of Commerce, Downtown Partners, Garden Club, Kiwanis, St. Charles Visitor's Bureau, etc. to support the project. It appears that all the presentations given to date have gone well and the groups are excited about the project.

#### **4. Marketing, Publicity and Community Outreach**

##### **A. Update and Presentation of New River Corridor and Active River Websites**

Most of today's meeting focused on the delegation trip to Greenville, South Carolina. Due to time constraints, the Task Force was unable to preview the new website. A preview will be conducted at the River Corridor meeting, Wednesday, October 18, 2017. John Rabchuk will send out the link to the new site later today for everyone to preview.

##### **B. Scheduled Presentations**

There are a few Active River Project update meetings scheduled for several community organizations in the next couple of weeks. Presentation schedule is as follows:

- St. Charles Kiwanis Club on Tuesday, October 30, 2017;
- St. Charles Rotary Club on Thursday, November 2, 2017
- St. Charles Chamber of Commerce Executive Board Update - TBD

#### **5. Member Organization Updates**

Due to time constraints, St. Charles Park District and City of St. Charles project updates will be discussed at the next meeting.

#### **6. Update on Potential Corporate/Philanthropic Funding Sources**

No updates at this time.

#### **7. Administration**

The taking of these meeting minutes was originally shared between one City and one Park District administrative assistant. For the last five months the Active River Project has been exclusively utilizing the City administrative staff impacting her workload, especially when this Task Force meets twice a month. Chris Adesso proposed this group take their own meeting minutes and have the City administrative assistant distribute them.

John Rabchuk proposed meeting once a month until the City of St. Charles makes a decision to move forward on the Active River Project. For now, the City administrative assistant will continue to take meeting minutes once a month until the City makes a decision on this project.

**8. Adjourn**

The next meeting is scheduled for November 13, 2017, at 8:00 a.m. at the Baker Community Center. Motion to adjourn by Rick Brems, 2nd by Tony Zehnder.

Voice vote: Ayes: unanimous; Nays – None Absent: C. Bong, M. Meyers, J. Wessel

Meeting was adjourned at 9:12 a.m.

October 6, 2017

John Rabchuk notes from Active River delegation visit to Greenville SC on October 4-5, 2017

- 1) Attendees:
  - a) Official
    - i) City of STC
      - (1) Mark Koenen
      - (2) Rita Tungare
      - (3) Ed Bessner
      - (4) Lora Vitek
      - (5) Ron Silkaitis
    - ii) St. Charles Park District
      - (1) Holly Cabel
      - (2) Bob Carne
      - (3) Cathy Camm
    - iii) River Corridor Foundation/Active River Task Force
      - (1) John Rabchuk
  - b) Unofficial
    - i) Jon Wills, WBK Engineering
    - ii) Greg Chismark, WBK Engineering
    - iii) Rick Hitchcock, Hitchcock Design
    - iv) Craig Larsen, AHC Advisors/STC Chamber of Commerce
- 2) City of Greenville Finances
  - a) Annual budget \$184M
    - i) Property taxes represent \$37M annually
      - (1) No property taxes utilized for construction of Falls Park or downtown redevelopment
      - (2) Convinced Greenville residents that no locally sourced tax dollars (except when residents eat at local establishments) would be utilized for the project
    - ii) License permits represent \$36M annually
    - iii) TIF revenue exceeded debt obligations by \$7.5M in 2016
      - (1) Will not be utilizing TIF financing in the future due to impact on schools (which is a county wide school district)
    - iv) Tourism Taxes
      - (1) Generating over \$16M annually and growing at over 7% annually. They serve as a dedicated revenue source for downtown development project bonding including Falls Park and Swamp Rabbit Trail
        - (a) Designated for construction bonds with excess for maintenance, marketing, promotion, Falls Park staff (13 employees dedicated to Falls Park and Main Street), enhanced downtown clean-up and security, Greenville Zoo subsidies, Arena debt service, convention center subsidies, etc.
          - (i) Sales accommodation tax 2% on overnight accommodations
          - (ii) Local accommodations tax 3% on overnight accommodations
          - (iii) Hospitality tax of 2% on prepared food and beverage
          - (iv) Sunday alcohol permits
        - (b) FY2016 estimates are \$495M in restaurant sales and \$115M in hotel sales
      - (2) City includes 123 restaurants and (?) hotel rooms
      - (3) 55,000 residents
      - (4) Exceeding 1.0M tourist visits annually

- (5) Strong pro-business city philosophy. Strong international marketing campaign to attract new businesses. Current focus on technology based businesses because of strong attraction to millennials.
- v) Falls Park construction
  - (1) Falls Park construction cost \$13.7M
    - (a) Includes \$1.5M Liberty Bridge
      - (i) Received \$500K donation for naming rights from Liberty Corporation
      - (ii) No other notable private funding for original construction
      - (iii) City funded design/engineering which enabled them to have a solid vision when convincing the hospitality industry to support the new taxes and the bonding companies of the project viability
    - (b) Estimated annual upgrade and repairs for Falls Park are \$700K
  - (2) Operating expenses for Falls Park
    - (a) \$1.4M annually – division of Parks & Rec Department of the City (the city government includes 78 total Parks & Rec employees, 39 Parks, 400 acres – 27 of which represent Falls Park.) City government manages parks, zoo, library, convention and visitors, marketing and PR, police, fire and other traditional city functions
      - (i) Two restaurants within Falls Park are operated by concessionaires. Proceeds utilized for park operations and maintenance – including public restrooms.
  - (3) City estimates that construction of Falls Park for \$13.7M generated over \$150M in new private development in downtown area with first two years and over \$400M in first six years.
- vi) Philanthropic funding
  - (1) Generally utilized for specific features such as a sculpture, improved seating and landscaping in a particular area, etc. Commercial community has been very generous supporting specific features in proximity to their operations such as developing plazas and greenspace throughout the downtown, seating areas, etc.
    - (a) Example: BMW and Michelin are building a \$300M technology center for self-driving cars and future auto related developments. They are working with the City to develop a five mile extension of the Swamp Rabbit Trail (cycle and walking) that will lead from the city center to this new facility. Assumption is that tech employees will want to live in downtown Greenville because of life style, but many will want to commute via cycle, jogging, etc. They did not reveal the amount contributed by BMW and Michelin.
  - (2) Garden Club created a \$3M endowment fund for Falls Park. Annual proceeds are utilized for public art, street scape, performing arts, etc.
- vii) Advisory Council
  - (1) Greenville has an advisory council that influences decisions regarding capital improvements, public art projects, events, etc. No binding authority.



Holly Cabel's Notes

Greenville Trip

Attendees

City – Mark Koenen, Rita Tungare, Ed Bessner, Lora Vitek, Ron Silkatis

Park District – Holly Cabel, Bob Carne, Cathy Camm

River Corridor – John Rabchuk

WBK – John Wills, Greg Chismark

Hitchcock Design – Rick Hitchcock

Chamber of Commerce – Craig Larsen

### **Meeting Thursday at City Hall**

Matt Efird, Budget Administer

Nancy Whitmore, City Manager

Amy Rydberg Doyle, Councilman

### **Budget Finance**

City's total budget-184 mil; 55,000 population

37 mil, 44% driven by property tax, 43% permits/license fees,

3 TIF District started in late 1980s, in FY 2016 the three district were generating 7.5 million over debt service. No longer using TIF financing in future due to impact on schools.

Main sources of revenue for Tourism are Accommodation Tax (State 2% and local 3%) and Hospitality Tax(2% on prepared food/beverage). Currently over 1 million in tourists visits

Revenues must be spent on tourism related expenses such as Falls Park Construction AND MAINTENANCE.

Total project cost of Fall Park – 13.7 million for 27 acres of Park Development including a 3.5 million unique unobstructed view pedestrian bridge.

Property tax did not go towards the creation of Falls Park (big in community buying into this capital expenditure). Project funded by: Revenue Bonds (10.85 mil); 1.8 mil in TIF equity;

462,000 in TIF bond proceeds; 378,000 in Hospitality Tax fund equity, 200,000 in Greenville Water System and 39,000 Greenville county.

Upgrades and repairs 700,000 in 2015 funded by Hospitality tax equity and State grant (100,000)

Estimated that the Falls Park generated 150 mil in new private development in the first two years and over \$400 mil in first six years.

Operations expense of 27 acres falls Parks – 1,453,928 (This expense has seen an increase from 550,000 in 2009. This area falls under the direction of the Parks and Rec Department of the City. The total parks and rec department has 78 FT, 39 parks, and 400 acres. Falls Park has dedicated 13 FT employees which is approximately 70-75% of expense. Other expenses 200,000 bridge maintenance, 100,000 fountain repairs, 40,000 ADA assessments, Seasonal Labor and Janitorial services. These expenses are covered through revenue generated by the hospitality tax and local accommodation tax. They have a annual sustainable revenue source to continue to cover the expenses.

Falls Park Endowment was created and started to ensure that Falls Parks remains cherished landmark. Used for sculpture purchase, educational programs, park amenities outside the scope of the city's budget. Current balance of over 2.6 million. Garden Club created the endowment fund.

Advisory group was created to recommend capital improvements, public art or events at Falls Park to the City Council.

### **Tour Park**

Edward Kinney, Landscape Architect

Mari Steinbach, Director of Parks/Recreation

Falls Park

27 acres

Amenities – water fountains, suspended unobstructed pedestrian bridge, 2 concessions /restaurant areas (city owned but has concessionaire agreement), bathrooms, trails/walkways, planted areas, gathering spaces, benches, seating areas (benches and tables and chairs as well as rock ledges),10 gardens, dog friendly, river falls, large tree canopy and open grass areas.

13 FT (4 Horticulturist, 9 laborers) + 20 seasonal workers

### **Themes of Park Planning**

If you want a vibrant downtown, you need people working in town. Drive businesses to want to operate in the area.

Walkability. Sculptures and interests points and wide sidewalks all part of making it an easily walkable route with many things to see and do.

Look at businesses that bring in young professional talent recruitment. Focus on grow tech and service industry.

880 Rule – plan for ease of use and functionality for 8 year olds and 80 year olds

Most restaurant/bars had outdoor sidewalk components.

A push to continue to have street side parking throughout the downtown was part of the design.