
TECHNICAL MEMORANDUM

To: City of Ozark

Date: May 2011

From: PGAV Planners

Re: Developer Solicitation Materials

Project

Name: Missouri DREAM Initiative – City of Ozark

Project

No: 82168-17

Background

In 2004 the City of Ozark took action to create a Land Clearance for Redevelopment Authority (LCRA) and designate the City's downtown area as blighted for purposes of redeveloping portions of the City's central core. The City also established a tax increment financing (TIF) district. The TIF district includes four redevelopment project areas. One of these is a 47 acre area south of Jackson Street and Finley Creek and east of 3rd Street and the City's historic Central Business District. Referred to as the Finley River Neighborhood District (FRND), this blighted area consisted of a number of single family and mobile homes. Also included were a number of commercial buildings along 3rd Street in various conditions.

The LCRA commissioned the firm Hagerman – New Urbanism from Springfield, Missouri to draft the *Ozark Revitalization Plan* for this redevelopment area. This plan envisioned a complete redevelopment which included acquisition of properties in the area and demolition of certain existing buildings. The detailed plan included transportation improvements such as a roundabout at Jackson and Third Streets and the construction of a new bridge and connector street called Riverside Drive. Third Street was to be redeveloped as a mixed use commercial main street with a roundabout at Brick Street. A riverwalk was planned to tie the development to the Finley River. The mixed use development included a lifestyle center with retail and entertainment venues, town homes, condominiums, and single-family homes.

Unfortunately, due to a multitude of factors, including the collapse of the real estate credit market, the planned project was never realized. The City now holds a significant amount of financial obligation for the acquisition and demolition costs and seeks to see the site redeveloped. The site is a gateway to the City's central historic area and a prominent commercial location along 3rd Street.

The City of Ozark has expanded in geography and population over the last two decades, with its population more than tripling during this period. A recent demographic study by the Jefferson Institute and the Christian Science Monitor classified the region as a "Booming Growth" community due to its burgeoning population, rising level of income and large share of residents moving in from outside the region.

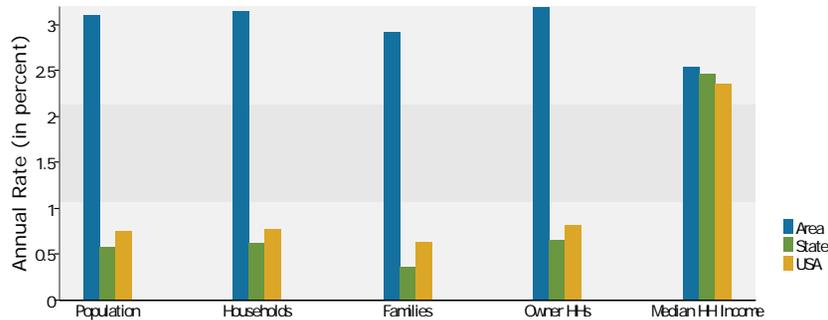


Center City TIF four redevelopment project areas

	2000	2010	2015
Population	15,198	23,358	27,216
Households	5,673	8,767	10,239
Families	4,310	6,495	7,498
Average Household Size	2.62	2.63	2.62
Owner Occupied Housing Units	4,042	6,143	7,188
Renter Occupied Housing Units	1,631	2,624	3,051
Median Age	33.7	33.8	33.9

Population growth within 10-minute drive time of site (Census)

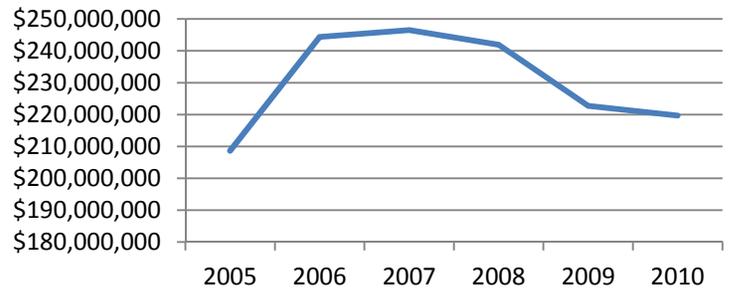
Trends 2010-2015



Population growth forecasted through 2015 (ESRI)

These demographic trends have had a permanent impact on the City of Ozark, bringing increased tax revenues, but also infrastructure challenges. The economic recession of the past three years has reversed some of these trends and has definitely taken a toll on the City's sales tax revenues. From their substantial increase through 2007, sales and use taxes have significantly declined over each of the past three years.

Sales and Use Taxes



Average Daily Traffic

The most recent traffic study for the area was conducted by the Southwest Missouri Council of Governments for the City of Ozark in October 2009. The study showed close to 14,000 Average Daily Traffic (ADT) along the 3rd Street/Jackson Street corridor, just north of the study area. The intersection of Jackson, Riverside, and 3rd Street, just to the east of the bridge over the Finley River had about 9,000 turns for all peak periods. A roundabout is planned for this intersection due to a complicated traffic flow from the convergence of multiple streets. Also, just to the north of the intersection is a fire station on Riverside. The traffic study showed that the majority of cars were from local through residential traffic. The construction of a roundabout at the intersection will assist in the redevelopment of the area to more dense commercial uses. Highway 65 handles the majority of north-south traffic through the area and State Road N handles a higher percentage of east-west traffic than does the corridor.

Previous Uses

Within the study area there are a number of commercial sites with various past uses, including one former gas station. A review of the Missouri Department of Natural Resources' brownfield and voluntary clean-up databases as well as underground petroleum storage tank database revealed no known environmental issues. However, if not already undertaken, a phase one environmental analysis would be recommended prior to constructing future uses

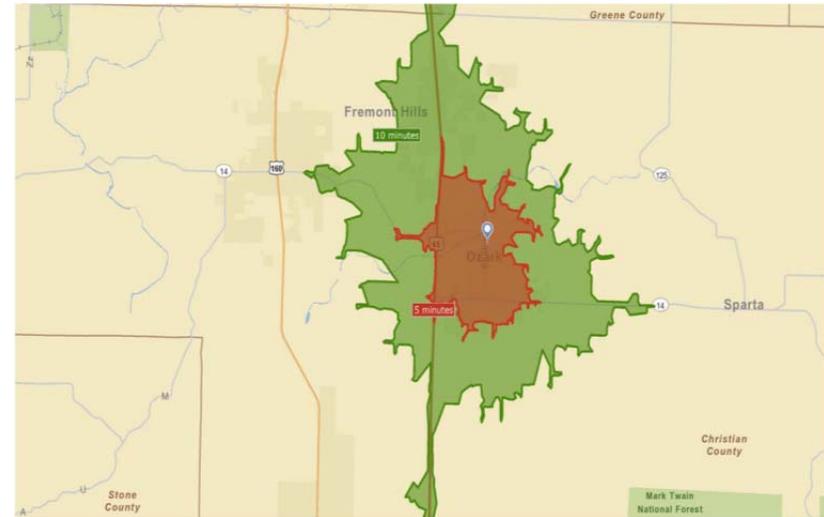
in the area, especially due to the past location of a number of unknown commercial uses.

Existing Incentives

As discussed previously, the City has already established a TIF district for a large area of the central portion of the City. The area is within Redevelopment Project Area 1 of the TIF. Incremental increases in real property taxes and sales tax revenues may be used to fund eligible redevelopment expenses. In addition, a Community Improvement District (CID) was also established for a portion of the area. Depending on the establishing petition, this district could impose an additional sales tax or assessment in order to fund future redevelopment of the site. The City should review these options, potentially involving an experienced bond attorney, as it seeks to attract redevelopment for the site.

Retail Market Analysis

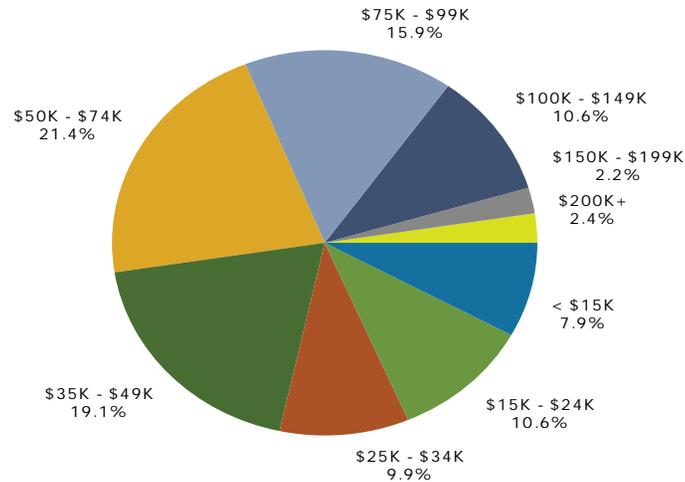
To determine the potential market demand, and thus feasible retail uses for the site, PGAV has completed a retail market analysis for both a five-minute a 10-minute drive time from the site. This analysis looks at current demographic and household income data, buying habits, market supply, and market demand to determine the amount of additional retail the area could support.



Map of five and 10-minute drive times from site (ESRI)

The households within a 10-minute drive have a per capita income of over \$25,000. The median disposable income is a strong \$42,554. These numbers demonstrate a strong retail market potential for the area within and surrounding the City of Ozark. As discussed previously, the City has grown substantially in the past two decades. Many of these new residents are middle to upper middle income with a significant amount of disposable income for retail expenditures.

2010 Household Income



2010 Household Income for 10-minute drive of site (ESRI)

Comparing the retail demand created by these households with the amount of retail supplied within the area, it is clear that many households spend their money outside of the area. This is likely due to the fact that there are varied retail options on the south side of Springfield, Missouri, less than 30 minutes to the north and Branson approximately 30 minutes to the south. While a number of convenience retail items are purchased within the area around the City of Ozark, a number of big ticket items and non convenience goods, such as clothing, are purchased outside of the area. These items are likely purchased at locations in Springfield, such as the Battlefield Mall.



Leakage of retail dollars within five minute drive of site (ESRI)



Leakage of retail dollars within 10-minute drive of site (ESRI)