



Economic Development Advisory Committee

Minutes of the March 13, 2013 meeting

10 a.m., Pittsburg Area Chamber of Commerce Board Room

Committee members present: Richard Oler, Jim Hoskins, Mark Werner, Brad Hodson, Kyle Fleming and Shane Kannarr

Others present: Blake Benson, Henry Menghini, Daron Hall, Susan Knaup, Brian Pinamonti, Steve Robb and Jared Turnbull

Additions to the agenda: None

Consent calendar: Benson asked for discussion regarding the minutes from the February 13, 2013 committee meeting. There was none.

MOTION: Benson opened with a motion to approve the February 13, 2013 minutes as presented. Hodson so moved. Motion seconded by Hoskins. All carried, motion approved.

Old Business:

Meadowbrook West project: Benson spoke about the City Commission's approval of the \$250K expenditure for sewer and water upgrades to the Meadowbrook West pad. Benson indicated that the prospect, which the EDAC visited about last month, is still interested in this property. This party is now considering the third counter offer from the Mall. Benson said that Todd Ewing indicated that he felt very optimistic about the prospect of having a definite answer by the next EDAC meeting.

New Business:

Pinamonti Physical Therapy

Benson introduced Brian Pinamonti, Jared Turnbull and Steve Robb and then gave Brian Pinamonti the opportunity to deliver his power point presentation to the EDAC. Brian first spoke about how much his wife, Gina, and he have contributed to the Pittsburg Community with the development and growth of their businesses, Pinamonti Orthodontics and Pinamonti Physical Therapy, respectively. Initially, each of

their businesses employed just 2 employees, but together they currently employ a total of 25 full-time staff members and provide health care and retirement benefits for them. In 2013, Brian wants to expand his physical therapy services by offering a new 25,000 square foot facility which will provide a walking track, a wellness center and aquatics therapy. Brian said that with this expansion he would be able to double the number of patients that he sees, and also, that presently, the aquatic therapy is something that is not offered by any of Pittsburg's physical therapy centers, but that Joplin's hospitals, Freeman, (the new) St. John's, and Galena's Ortho 4 States, do have to offer. Therefore, he sees this is as a service that is much needed in our community. He wants to expand his wellness services to offer private memberships in corporate wellness and strengthen partnerships with PSU (internships), USD #250, and local physicians. Brian said that he foresees immediate job opportunities for hiring a business coordinator, a facilities manager, 2 or 3 full-time physical therapists, 2-3 fitness professionals, 3-5 clerical positions, 3-5 retail positions and 2-3 custodial engineers. Brian said his strategic planning and vision goals are:

- To set the standard for physical therapy and healthcare in this region
- To help lead the community towards wellness
- To provide economic growth and healthcare employment opportunities- by bringing young professionals back to the Pittsburg area

Cindy Triplett, who is currently ill, had prepared a financial analysis that Brian can get to the EDAC. Brian would like to break ground on this new facility in June or July of 2013, and then be ready to open by the summer of 2014. The total projected cost of the project is \$5.2M and he is asking the City of Pittsburg for an injection of \$550K. It was indicated by Kannarr and Werner that he could pay off the loan in a balloon payment, if so desired. Benson asked for actual economic impact numbers and Steve Robb indicated that the overall economic impact over 10 years would be around \$22M. Brian reiterated that his expanded facility would help draw young professionals to the community. Benson asked for an average wage for the 29 new jobs that this expansion would create and Brian indicated that \$40K would be a good approximate average annual salary.

Brian Pinamonti, Jared Turnbull and Steve Robb left the meeting.

Hoskins said that he spoke with Brian last week and that he understood that while part of this loan would be forgivable, part of it would be repayable. Kannarr indicated that Brian would like to see that the City is partnering with him by assisting him with the funding for this project.

MOTION: Kannarr motioned that the City Commission appropriate Pinamonti Physical Therapy a total of \$550K with \$200K forgivable based on the creation of 29 jobs in a 5 year window. The other \$350K will be a 0% interest loan over a 20 year window with no payment for the first 2 years from the funds disbursement, which would be at the end of construction. Pinamonti Physical Therapy, also, has the ability to seek additional forgiveness for jobs created with a \$40K average salary- providing \$7K of loan forgiveness in the years 1-10. Werner added that he would like the recommendation to the City Commission to include some language that this meets criteria established within the 2030 vision strategic plan relating to wellness. Hodson seconded the motion. All carried, motion approved.

Façade grant request

Benson indicated that if this grant is approved today that it would now close out phase II of the façade grant program. The EDAC received an application from John Kutz in behalf of Stilwell Heritage and Educational Foundation for a façade grant in the amount of \$12,100.

MOTION: Werner motioned that the City Commission appropriate \$12,100 for a façade grant to the Stilwell Heritage and Educational Foundation. Fleming seconded the motion. All carried, motion approved.

Director's report:

Benson related that, due to an oversight, the Via Christi RLF contract was not signed. Via Christi would like a reduction in some of the contract benchmarks for loan forgiveness. Required new jobs created would be reduced from 61 to 26 and capital investment from 20.5M to 18M. They contend that the project overall will still create 61 new jobs, but that 35, in addition to the 26, will be positions for private practitioners. Fleming stated that in actuality the (additional 35) jobs do exist, but Benson reiterated that the 35 will not be in the contract as benchmarks for loan forgiveness.

MOTION: Fleming motioned that the requested changes to the Via Christi RLF contract be made. Hodson seconded the motion. All carried, motion approved.

Benson reminded the EDAC members that they are invited to tour Kendall Packaging with the City Commission on April 9th at 4:00 p.m., one day prior to the next EDAC meeting. Kendall Packaging is considering a \$4.5M expansion which would create 6-12 new jobs over the next 3 years. Benson related that he is still talking with the Cheer Pitt to see if there is some way that the EDAC can assist them. He stated that the Cheer Pitt won a National Championship in Dallas and that out of 995 cheerleading teams that were participating in the Nationals, 14 of them got free trips to Orlando, and the Cheer Pitt was one of those. Quentin is exploring all options for assistance in moving the Cheer Pitt to a new facility. Benson related that Jimmy John's would need \$30K to open and that they have not filled out an RLF as of now, but that they may.

There being no further business, Hodson made the motion to adjourn at 11:45 a.m., Oler seconded. All carried, motion approved.

Respectfully Submitted,

Susan Knaup

Assistant to the City Manager