**TIF Commission**

**April 4, 2018 Meeting Minutes**

The TIF Commission held their first meeting on the Fifth Floor of University City’s City Hall located at 6801 Delmar Boulevard, University City, Missouri on Wednesday, April 4, 2018. The meeting commenced at 6:30 pm.

**1. Roll Call**

**Voting Members Present Voting Members Absent**

Paulette Carr Susan Armstrong

Lawrence Welty Lisa Brenner

Thomas Curran

Margaret Hart-Mahon

Thomas Malecek

Glenn Powers

Andrew Durkett

Gerry Greiman

George Lenard

**Staff Present**

Gregory Rose, City Manager

John Mulligan, City Attorney

Rosalind Williams, Acting Director of Community Development

Andrew Stanislav, Planner

Adam Brown, Community Development Specialist

**2. Introduction of members**

Ms. Williams began the meeting with an introduction and asked that the Commission members introduce themselves. Ms. Williams also introduced the City staff present and involved in the project, as well as special counsel and the consultant for the project.

**3. Election of officers**

Mr. Mulligan stated that the Commission members must make a motion to nominate and elect officers.

**3.a. Chairperson**

Ms. Carr made a motion to nominate Gerry Greiman as Chairperson of the Commission. The motion was seconded by Ms. Hart-Mahon and carried unanimously.

**3.b. Vice Chairperson**

A motion was made by Ms. Carr to nominate Susan Armstrong as Vice Chairperson of the Commission. The motion was seconded by Mr. Welty and carried unanimously.

**3.c. Secretary**

A motion was made by Ms. Carr to nominate Rosalind Williams as Secretary of the Commission. The motion was seconded by Gerry Greiman and carried unanimously.

**4. Designation of City Clerk as Custodian of Records**

Mr. Mulligan stated that the City Clerk was to be the Custodian of Records and recited an excerpt of the City Ordinance to this effect.

**5. Explanation of tax increment financing**

Mark Grimm with Gilmore and Bell provided a statement as the City’s special counsel. He briefly described an overview of tax increment financing (TIF) and the role of the TIF Commission. Mr. Grimm stated that the purpose of TIF is to encourage redevelopment of areas that would not be developed without incentives. He stated that the TIF captures two primary revenue streams being 1) incremental real property taxes and 2) 50 percent of incremental sales taxes. The taxing districts continue to collect taxes based on the assessed property values from before the TIF. He continued to state that there is not an upfront source of funds and that 100 percent of the project costs are to be secured by the developer, while a portion of the revenues generated from the two primary revenue streams would reimburse the developer.

**6. Discuss role of the tax increment financing commission**

Mr. Grimm provided a summary of the RFP process and stated that Novus submitted a proposal. He stated that this redevelopment area is quite large consisting of three areas and that the TIF Commission will hold a public hearing in the future regarding the redevelopment plan to collect public comments before providing a recommendation to City Council whether to adopt the plan. He stated that the TIF and processes associated with it does not alleviate the proposed development from any other processes or Codes required.

It was asked if the City and RFP are what defined the boundaries of the Redevelopment Plan Areas. Mr. Grimm stated that the RFP established the boundaries and that two RFPs were distributed in March: one for RPA 1 (Olive/I-170 commercial development area) and separate one for RPA 2 (the third ward) and RPA 3 (Olive Boulevard corridor).

**7. Presentation of the redevelopment plan**

Andy Struckhoff with PGAV consultants stated that they responded to an RFP from the City and were selected to prepare the documents presented this evening. Mr. Struckhoff recapped the boundaries of the three redevelopment project areas and stated that it was the goal of the City to leverage commercial development in RPA 1 to fund various programs for RPA 2 and RPA 3, which may be in the form of a grant or loan program. He stated that TIF requires an area to be blighted or a conservation area and noted that RPA 1 and RPA 3 were blighted while RPA 2 was considered a conservation area. Mr. Struckhoff provided a brief analysis of the areas and referenced the cost-benefit analysis and redevelop plan documents PGAV prepared for the meeting. He also noted that this larger project conforms with the City’s comprehensive plan and that assistance is required from the developer to implement elements of the plan.

**8. Presentation of proposed redevelopment project**

Jonathan Browne with Novus introduced his company and development team members. Mr. Browne thanked the City and everyone in attendance at the meeting before providing a brief overview of the vision of the development proposed for RPA 1. He also referenced an excerpt that was recently published announcing the early payoff of another TIF project his company developed in Webster Groves. Mr. Browne provided a brief history on his interest in this area stating that he originally had looked on the Olivette side of the interchange but determined that the site was too small and that another development company already present in the City was selected for the project. He also noted a meeting between Novus and Ms. Williams, Ms. Carr, and Councilmember Smotherson regarding a proposed development in this area that would serve as a commercial engine to fund the projects the City wanted to include along and north of Olive Boulevard.

Mr. Browne confirmed that this project was still in the proposal stage and also visions this project as a “welcome center” to the community. He further described the two development options between 46 and 50 acres dependent on the acquisition of certain parcels along Richard Court. He noted that one 95 year old resident did not want to move, and that he wanted to be sensitive to these kinds of issues. He stated that approximately 20 acres of the project are north and another 30 acres are south of Olive Boulevard. He described the northern portion with the proposed big box retailer as the “horsepower” in revenue generation with sub-anchor tenants who cluster around the larger big box anchor. He stated that the southern end would feature smaller retailers and is more community centered to also include luxury apartments and perhaps senior living and hotel uses. Mr. Browne noted that this development is expensive in part to the fact that this land has already been developed and requires extra steps to prepare the land for new development. He stated that the approximately 700,000 square feet of proposed space on the site plan is still preliminary and was produced as a starting point to begin generating and analyzing financials. He further added that he has had conversations with the school district and that his father was raised in the third ward.

Questions / Comments / Discussion by TIF Commission:

* Will eminent domain be used? Mr. Browne stated that he went to the City with the known request regarding the property of the Public Storage facility. He stated that he had spoken with a representative of the company who stated that there is nothing in their agreement regarding selling the property for profit and that it would have to be condemned. Mr. Browne noted that there has been no other discussions beyond this one property.
* How many parcels are in RPA 2 and can money be spent if the property is not in the redevelopment area? Mr. Grimm stated that there are narrow exceptions to spending outside of the redevelopment area, and that the intent is to improve what is there through various programs.
* How will funds be distributed if demand is more than the supply available? Mr. Grimm stated that the City would work on what and how this is implemented and that there will be an application process. He further stated that City Council would decide the amount of money in each of the programs and that the criteria have not been fully written at this time.
* Considering the residential properties in RPA 1, is everyone else willing to sell with the exception of the previously mentioned resident? Mr. Browne stated that the residential property south of Olive Boulevard is all under contract and the residential properties north of Olive Boulevard varied by street between about 50 percent to 90 percent.
* Is the anchor tenant confidential? Mr. Browne stated that the anchor tenant is currently confidential but that the tenant anticipates making an announcement now that this process has begun. He further mentioned that Novus has a fully executed letter of intent from the anchor tenant and that the next step would be to resolve the land control concern regarding Public Storage.
* Do you have commitments from any other tenants? Mr. Browne stated that they do have commitments from other retail tenants although Novus has not requested letter of intent because the development plan is dependent on the condemnation of the Public Storage property.
* Mr. Browne also explained the proposed phasing of the development, noting that it would occur in multiple phases with the portion North of Olive Boulevard being phase one to accommodate the anchor tenant. He stated that the phase one anchor dominates the project in terms of revenue generation, estimating about $102 million of the $160 million anticipated revenue to be generated by the anchor alone.
* Can you provide a breakdown of the generated money reimbursing area one versus the money benefiting area two and three? Mr. Browne stated that the proposed project is divided into phases which help the development receive financing from banks and financial institutions. He stated that the NOI is to be the target rate of return on the cost and that other phases may need to pull from area one. Mr. Grimm stated that in terms of RPA 2 and RPA 3 that this is still being determined and has not yet been considered by City Council. He added that the numbers are not solidified yet and negotiations still need to occur between the City and the developer in order to determine the funding for programs in RPA 2 and RPA 3.

Public Comments:

1. In option “B” proposed for the development, is there consideration to buy out residential properties with potential light and noise pollution? Mr. Browne stated that Novus has all abutting properties under contract on the cul-de-sac of Richard Court and that all abutting properties to the anchor are under contract.
2. Will the TIF Commission sign a confidentiality agreement and will there be any meetings held in a closed session? Mr. Grimm stated that there should be no closed meetings and no confidentiality agreement was envisioned. He noted that everything is expected to be open to the public.
3. Why are the two corner lots east of McKnight included in the revised RFP? Mr. Browne stated that these properties were included in order to address this corner from a visibility and aesthetic standpoint. He added that there will be accommodations for both of these locations and that they realized the project could be larger than what was originally intended.
4. What percent of the residential property is under contract? Mr. Browne and his development team stated that about 50 percent are estimated to be under contract as they had stepped back following the issue with the one resident along Richard Court was recognized.

Mr. Struckhoff with PGAV facilitated a discussion of the Cost-Benefit Analysis and also recapped the three redevelopment plan areas. He stated that the Cost-Benefit Analysis for RPA 1 included estimated taxes with the proposed tenants per development phasing according to the plan over 23 years both with and without the TIF. He stated that the City would use PILOTS and sales taxes to fund projects elsewhere and that there is no property tax revenue to be collected in RPA 2 which is considered all surplus in the TIF for the benefit of receiving money. He added that RPA 3 along the Olive Corridor would help family businesses to access money to fix up their properties along with other improvements. Mr. Struckhoff also provided additional details regarding the assumptions required for the Cost-Benefit Analysis.

Questions / Comments / Discussion by TIF Commission:

* Have the previous TIFs established within the redevelopment areas been dissolved? Mr. Rose noted that he has been told that they have been dissolved.
* Is there a plan to provide funds in RPA 2? Ms. Williams stated that there is a plan to go beyond property owner improvements to also include acquisition and rehabilitation of other properties. She stated that there will be a number of programs, such as rent-to-own, in order to turn the market around.
* Does the City plan to use eminent domain in RPA 3? Ms. Williams stated that there is no plan to use eminent domain in RPA 3 which will function similarly to RPA 2.
* Will there be assistance to those businesses being displaced? Mr. Williams stated that the City has a relocation policy which will be enhanced with additional incentives to be provided.

Public Comments:

1. What should we tell tenants that are currently in lease negotiation? Mr. Greiman stated that this was beyond the purview of the TIF Commission but recommended speaking with either Ms. Williams or Mr. Mulligan.

**9. Set date for public hearing**

Mr. Grimm provided information on the statutory requirements of the TIF Commission process. He stated that the public hearing and recommendation to City Council require a 45 day notice, with the earliest possibility being the week of May 21,, 2018. He stated that the Commission may have as many meetings as they wish in the meantime to absorb the information distributed this evening.

The Commission discussed their availability for the proposed meeting.

Ms. Hart-Mahon made a motion to schedule the public hearing at 7:00 pm on Wednesday, May 23, 2018 at the Mandarin House Banquet Hall. The motion was seconded by Ms. Carr and carried unanimously.

**10. Set date for next meeting**

The Commission discussed their availability for their next meeting.

A motion was made by Ms. Carr to schedule the next TIF Commission meeting at 6:30 pm on Wednesday, April 18, 2018 in the Council Chambers on the 5th Floor of City Hall. The motion was seconded and carried unanimously.

Ms. Williams noted that the materials presented this evening would be available on the City’s website in the near future.

**11. Adjournment**

The meeting adjourned at 8:00 pm.