

MEETING OF THE CITY COUNCIL  
CITY HALL, Fifth Floor  
6801 Delmar Blvd.  
University City, Missouri 63130  
**May 14, 2018**  
**6:30 p.m.**

**A. MEETING CALLED TO ORDER**

At the Regular Session of the City Council of University City held on the fifth floor of City Hall, on Monday, May 14, 2018, Mayor Terry Crow called the meeting to order at 6:30 p.m.

**B. ROLL CALL**

In addition to the Mayor, the following members of Council were present:

Councilmember Paulette Carr  
Councilmember Steven McMahon; (*Excused*)  
Councilmember Tim Cusick  
Councilmember Stacy Clay  
Councilmember Bwayne Smotherson

Also in attendance were City Manager, Gregory Rose, and City Attorney, John F. Mulligan, Jr.

**C. APPROVAL OF AGENDA**

Councilmember Carr moved to approve the agenda as presented, it was seconded by Councilmember Smotherson and the motion carried unanimously.

**D. PROCLAMATIONS**

**E. APPROVAL OF MINUTES**

1. April 23, 2018, Regular Session minutes, were moved by Councilmember Carr, it was seconded by Councilmember Clay and the motion carried unanimously.
2. April 26, 2018, Study Session minutes were moved by Councilmember Smotherson, it was seconded by Councilmember Carr and the motion carried unanimously.

Councilmember Clay abstained from voting on the Study Session minutes for April 26th.

**F. APPOINTMENTS TO BOARDS & COMMISSIONS**

1. Christine Mackey-Ross is appointed to the Historic Preservation Commission as a **fill - in** replacing Mark Chritchfield's remaining term by Councilmember Carr, it was seconded by Councilmember Smotherson and the motion carried unanimously.

**G. SWEARING IN TO BOARDS & COMMISSIONS**

**H. CITIZEN PARTICIPATION (Total of 15 minutes allowed)**

**Tom Sullivan, 751 Syracuse, University City, MO**

Mr. Sullivan expressed concerns about the following issues:

- MSD's stormwater rate increase proposal, which he does not think should be supported by Council or the residents of U City.

- The idea that MSD will not be responsible for River Des Peres and that individual property owners should be is completely unacceptable.
- Councilman Pat Dolan's lack of support for homeowners impacted by stormwater issues.
- The Mayor's comment that there should be no further debate on the Loop Trolley. The Trolley; which has not commenced operations, has already been a disaster for the Loop. City Council's due diligence was inadequate; no public hearings were conducted and Joe Edwards was never challenged. It is also hard not to notice that many of the same claims of economic development are now being made for the Olive/170 proposal.
- Another shattered window and break-in of his neighbor's vehicle; which appears to be the third incident of this nature.
- Street sweeping has been reduced by 75 percent in the North Loop.
- Leaves are not getting picked up.
- The gas company is making a mess everywhere.
- A permit has been issued for a drum circle in the Loop on Sunday nights, to include sound amplification. This circle was chased away from the Skinker/Debaliviere area because it was too noisy.

Mr. Sullivan stated anyway you measure it, U City is a declining City, and when it goes out of its way to irritate residents you can certainly understand why.

### **Jerrold Tiers, 7345 Chamberlain, University City, MO**

Mr. Tiers stated the Mayor and Council are considering a major development at the intersection of Olive and 170 that deserves a thorough study. Forty businesses, which include Torah Prep, will be displaced; sixty houses and two churches will be taken. With this level of disruption, the City must get a very large and direct benefit. There is no room for higher taxes, so if the City wants to produce more income it will have to come through development. However, it must be the right type of development, and from what he has seen and heard, this proposal does not possess the big payback that comes early-on in a project. Saying this is our last chance, only seems to encourage everyone to rush head-long into any agreement as long as it ensures that some sort of project will go forward. But that is totally the wrong approach. This development should be a sound business decision based on facts. The fact is that the Olive/170 intersection as it currently exists is thriving, so there needs to be a very good reason to throw all of this away. New tax income from this development must be substantially more than what the City now receives, or it will be of no use whatsoever. And that new income needs to begin early in the project, not delayed for twenty-three years after the expiration of the TIF.

Mr. Tiers stated that a TIF actually works against the City by diverting tax income to pay the developer. And while receipt of monies for the 3rd Ward is a good thing, the only added income the City will see from a development involving a TIF is half of the sales tax income, plus a utility tax. And because U City is a pool City it only gets a portion of any income derived from sales taxes, so you can't count on that alone to provide a big income boost. And no added property tax income for the length of the TIF means no monies will be added for schools. Therefore, in order to justify this project the City needs a better return as soon as possible, along with support for the 3rd Ward.

The rosiest estimate from the consultant's report suggests 1.5 million dollars per year of added sales tax income during the lifetime of the TIF, but most of that will go to the pool, so U City would need to pile on an extra tax in order to get a substantial benefit.

The consultant also provided a lower estimate in the absence of a development, but that assumes there is no rebuilding or investment for twenty-years, which is obviously unrealistic.

Businesses were bought out, but the residential buy-outs never occurred in the NOVUS' Sunset Hills Development. The development stalled, failed, and resulted in several lawsuits. That history, plus other lawsuits should cause concern about this particular developer; even though he has completed some quality developments since that time. Residents want a stable, modern development; one that will last far beyond the TIF and provide benefit to the City for decades. Unfortunately, the development as currently depicted has a disturbing resemblance to several 1970 developments around St. Louis that have failed, sit empty, and some in the process of being torn down. *(Mr. Tiers asked that his written comments be made a part of the record.)*

**I. PUBLIC HEARINGS**

**J. CONSENT AGENDA – Vote Required**

**K. CITY MANAGER'S REPORT**

**1. Liquor License – Elmo's Love Lounge**

Mr. Rose stated the required background check has been conducted; the application evaluated, and staff is recommending approval.

Councilmember Smotherson moved to approve, it was seconded by Councilmember Carr and the motion carried unanimously.

**2. Loan – Parking Garage, Golf Course, Public Safety Sales Tax, Park and Stormwater Sales Tax**

Mr. Ross stated staff is recommending adoption of the proposed Loan Policy and approval of the following loan agreements:

- Public Safety Sales Tax - 6 million dollars to cover the design and construction of the police station and Annex.
- Parking Garage - \$500,000 loan to cover operating costs.
- Golf Course - \$500,000 to cover operating costs.
- Park and Stormwater Sales Tax – this fund has been overspent, it derives funds from the sales tax and has the capacity to repay the debt.

**Proposed Inter-Fund Policy**

Tina Charumilind, Finance Director, stated to ensure that all of these transactions are transparent when viewing the financial statement, staff has established an Inter-Fund Policy that will specify the purpose for each loan; the amount loaned between funds and the combined totals. This policy must also follow certain restrictions:

- 1) The loan cannot be more than 25 percent of the lending fund's revenues, and
- 2) Revenues and expenditures of the lending fund must illustrate its ability to remain solvent and operational.

Ms. Charumilind stated staff's ultimate goal is to create a quarterly amortization schedule for each loan.

Councilmember Smotherson asked whether staff had determined the income and profits generated by the Golf Course?

Mr. Rose stated staff's evaluation of this fund determined that the Golf Course has not

generated a profit, although it has the capacity to do so. The second year of the Capital Improvement Program proposes the installation of lighting for the Course which staff believes will lead to the receipt of additional revenue. Staff will also be looking at ways to incorporate the sale of golf supplies and accessories into the operation.

Councilmember Clay asked whether these loans equated to a transfer of dollars between line items? Ms. Charumilind stated they are a transfer of cash, whereby the General Fund gives cash to each of these funds that show up on their accounting records as a receivable. Councilmember Clay asked whether it would be correct to assume that these loans represent a transfer from one separate fund to another separate fund? Ms. Charumilind stated that it would be.

Councilmember Carr posed the following questions:

**Q. Is it correct that the repayment plan for the loan to Public Safety is twelve years?** *(Mr. Rose: That is correct.)*

**Q. Can you explain why the Annex has been included in the cost of the design and construction of the new Police Station?** *(Mr. Rose: There is a need to determine which services should remain at the Annex and which services should be transferred to the new facility.)*

**Q. Will the majority of construction costs be focused primarily on the new North Police Station?** *(Mr. Rose: The initial payment will go towards constructing the new facility. However, if it is determined that the design and construction of this facility is less than budgeted, the remainder of those funds will be diverted to construction of the Annex. Should this occur, it would require that an adjustment be made to the Sales Tax loan.)*

**Q. So essentially, any remaining funds from the design and construction of the new facility would be transferred back to the General Fund?** *(Mr. Rose: That is correct.)*

**Q. Is it correct that the repayment plan for the loans to the Golf Course and Parking Garage is ten years?** *(Mr. Rose: That is correct.)*

**Q. Paragraph (a) of the Inter-Fund Policy says, "40 percent of available unrestricted fund balance of the lending fund". Will this alter the 17 percent fixed amount the City is required to maintain?** *(Ms. Charumilind: It will not. Today, 40 percent of the available unrestricted fund balance is approximately 13 million dollars, and to meet the 17 percent expenditure requirement the fund must maintain 6 million dollars. However, this dollar amount will have no impact on the unrestricted fund balance since the City has already set aside 6 million dollars in the Committed Fund for public safety.)*

Councilmember Carr moved to approve the Inter-Fund Policy and loan requests, it was seconded by Councilmember Smotherson and the motion carried unanimously.

### 3. Tech Electronic Services Contract

Mr. Rose stated recently it was brought to staff's attention that if the City elected to extend the terms of their contract for an additional five years it would result in an approximate \$14,000 savings.

Seeing that Tech Electronics has maintained the City's telephone system since 2012, staff is recommending approval of this extended contract.

Councilmember Carr moved to approve, it was seconded by Councilmember Cusick.

Councilmember Cusick questioned whether any procedures were in place to revise the terms of this agreement should any problems arise? Mr. Rose stated that clauses for termination had been included in the contract.

Voice vote on the motion to approve carried unanimously.

#### 4. Midland/Olive Blvd – RFP

Mr. Rose stated a Request for Proposal to develop a City-owned property at Midland and Olive closed January 2017. One proposal was received from Mubeen Investment Group, Inc., who made a presentation to Council on March 12th of this year. Since that time, no further action has been taken. This item was placed on the agenda per the request of Councilmembers Smotherson and Clay, to seek Council's consideration and provide guidance to staff.

Councilmember Smotherson stated based on Council's previous discussions it did not appear as though anyone was interested in Mubeen's proposal. So in an effort to move forward, he had asked that this item be placed on the agenda for discussion and possible resolution.

Mayor Crow asked whether specific language was required when making a motion to reject Mubeen's proposal? John Mulligan, City Attorney, stated all the motion needs to say is that Council has elected to reject the proposal presented on March 12, 2018, by the Mulbeen Investment Group, Inc.

The motion as stated by the City Attorney to reject the proposal presented on March 12, 2018 by the Mulbueen Investment Group, Inc. was made by Councilmember Smotherson and seconded by Councilmember Clay.

Councilmember Clay stated the need for action still exists in this area, therefore, she would like to see Council move forward with next steps.

Councilmember Smotherson stated Ms. Riganti brought the demolition of the Tea House to Council's attention in 2017, so he will be making a motion to that effect during the Council Reports and Business section of tonight's agenda. A request will also be made to ask the Historic Preservation Commission to provide Council with information about the historic value of the Tea House for Memorialization.

Mayor Crow suggested that Council limit this discussion to rejection of the proposal.

Councilmember Carr asked whether a rejection of this proposal would leave the current RFP open or require the creation of a new one? Mr. Rose stated that the deadline for the current RFP had expired and if Council so desires, a new process would have to be initiated.

Voice vote on the motion to reject the proposal carried unanimously.

## 5. Asphalt Overlay Improvements

Mr. Rose stated on April 20, 2018, the City advertised for bids to resurface asphalt streets. Three bids were submitted and the lowest most responsible bidder was M.B. West Construction for a total of \$457,091.50. Staff has had good experience with this company in the past, and therefore, would recommend approval of the contract for Asphalt Overlay Improvement Project No. 1363.

Councilmember Carr moved to approve, it was seconded by Councilmember Smotherson.

Councilmember Carr questioned whether the City should do an asphalt overlay on Wilson, which sits in a floodplain where most of the structures have been demolished? Mr. Rose stated the intent is to postpone any improvements to Wilson until the City has received more information from the Stormwater Study and traffic volumes from the Director of Public Works, and determine whether these improvements will provide value for at least fifteen years. Councilmember Carr asked what would happen to the money allocated for Wilson? Mr. Rose stated more than likely, staff will seek Council's guidance on where the funds should be reallocated.

Councilmember Clay questioned whether the most severe streets had been included in this contract? Sinan Alpaslan, Director of Public Works and Parks, informed Councilmember Clay that all of the streets in this contract held a rating of 2, which is the lowest rating in the City's Modified Pacer Evaluation Method. A rating of 5 is given for moderate conditions and 10 for ground-up reconstruction, which means that after completion, these streets can only go up to a rating of 9. Councilmember Clay asked if only two streets in the 3rd Ward had been included; Orchard to Appleton and Grant to Sheridan? Mr. Alpaslan stated Spoon Drive had also been included.

Councilmember Cusick asked if there were other streets with a rating of 2 that have not been included in this project? Mr. Alpaslan stated the remaining No. 2-rated streets have been scheduled during the five-year plan and will be addressed prior to the higher rated streets. Councilmember Cusick asked Mr. Alpaslan if he knew approximately how many No. 2-rated streets were left? Mr. Alpaslan stated the most recent numbers represent 9 or 10 centerline miles of streets and U City has 80 centerline miles of streets, so 10 out of that 80 are rated 2. Councilmember Cusick asked if most of those streets would be addressed in the next fiscal budget? Mr. Alpaslan stated that they would be.

Councilmember Smotherson asked Mr. Alpaslan when he anticipated the streets in this contract being completed? Mr. Alpaslan stated although some may overlap into the next fiscal year, all of them have been scheduled for this construction season, which begins in spring. Councilmember Smotherson asked if this activity would comprise the entire summer construction schedule, ending July 1st? Mr. Alpaslan stated the first capital improvements to occur in a fiscal year are sidewalks and curbs; asphalt overlays are typically scheduled for later in the year. Councilmember Smotherson suggested that new members of Council be provided with the list of streets that are budgeted for repair in the next fiscal year. Mr. Alpaslan agreed to transmit the list to Mr. Rose's office.

Councilmember Cusick stated residents have complained about the length of time streets are torn up, especially those neighborhoods where MSD or utility companies are performing work.

The contract states that repairs are done fast, but has staff's previous experience with this company been satisfactory as it relates to timeliness? Mr. Alpaslan stated staff does have oversight of projects and tries to coordinate with utility companies to make sure their work is completed before the City begins. Councilmember Cusick asked if utility companies were financially responsible for repairing the streets they work on? Mr. Alpaslan stated while they are responsible sometimes they only fix a portion of the street. When they exceed one-quarter of the width of a street, the City can ask them to do half of the street resurfacing. If it's more than half, they can ask them to resurface the entire width of the street. Sometimes their work, especially on severely deteriorated streets is substandard, but overall, it reduces the amount of work the City has to perform.

Voice vote on the motion to approve carried unanimously.

**L. UNFINISHED BUSINESS**

*BILLS*

**M. NEW BUSINESS  
RESOLUTIONS**

BILLS

**N. COUNCIL REPORTS/BUSINESS**

1. Boards and Commission Appointments Needed
2. Council Liaison Reports on Boards and Commissions
3. Boards, Commissions, and Task Force Minutes
4. Other Discussions/Business

**a) Mayor Pro tem**

Requested by Councilmembers Smotherson and Clay

Councilmember Smotherson stated it is pretty obvious who the senior member of this Council is, and who is probably one of the hardest working among us, so his hope is that his motion will be received with unanimous and harmonious approval.

Councilmember Smotherson moved to appoint Councilmember Carr as Mayor Pro Tem, and it was seconded by Councilmember Clay.

Mayor Crow stated aside from the fact that there is a tradition for the longest tenured member to become Mayor Pro Tem; there is no doubt in his mind that Councilmember Carr is the hardest working member on this Council.

Voice vote on the motion carried unanimously.

**b) Midland/Olive – Sculptures and House (demolish)**

Requested by Councilmembers Smotherson and Clay

Councilmember Smotherson stated his belief is that if the City is successful with the development at Olive and 170, it will draw interest further down Olive. So, this is a project he is anxious to close the book on; especially in light of the interesting circumstances that led to the creation of these sculptures.

He stated because he understands the history associated with the Tea House, he would like to direct the City Manager and the Historic Preservation Commission to come up with a way to memorialize that history so that it can hopefully, be utilized in some manner by whatever development takes its place.

Councilmember Smotherson made a motion to direct the City Manager to have the site at Midland and Olive cleared by demolishing the Tea House and sculptures; it was seconded by Councilmember Clay.

Mayor Crow stated as this issue has percolated over the past months, one of his concerns is to make sure that the City is respectful of U City's Historical Society. So, before this historical structure is demolished he would like to make sure the City has made outreach and garnered the Society's input.

Councilmember Smotherson stated he had reached out to the Chairperson of the Historic Preservation Commission about a week ago but had received no response. So his plan is to attend their meeting and make a formal request.

He stated he would also like to note the comments made by Ms. Riganti last year, wherein she advised Council that the condition of the building was so bad no additional monies should be spent on restoration, and it should be demolished.

Councilmember Carr asked whether there was a formal process for Council to follow should they elect to have this building condemned for demolition?

Mayor Crow informed Councilmembers Carr and Smotherson that his request was to seek guidance from the Historical Society of U City, rather than the Historic Preservation Commission.

Mr. Mulligan stated when one seeks to demolish a structure in a Historic District; which Olive Boulevard is, the Zoning Code requires that the Application for Demolition be referred to the Historic Preservation Commission. The Commission has fifteen days to act on the application. Should they fail to take any action at the end of thirty days the application is deemed approved.

Councilmember Carr asked how Council should submit their request to the Commission? Mr. Mulligan stated staff will work up the demolition particulars and submit them in the form of an Application to Demolish. And with respect to Mayor Crow's comments, an informal discussion with the Historical Society can be conducted separate and apart from the formal process.

Mayor Crow asked Mr. Mulligan if a friendly amendment to the motion was necessary to include the process just described? Mr. Mulligan stated in his opinion, the wording is appropriate and the motion can stand as presented.

Councilmember Carr questioned whether the sculptures belonged to the City? Councilmember Smotherson stated Arts & Letters had conducted a review which determined that the sculptures belonged to the City, and that review was verified by staff.

Councilmember Clay stated although he is not a fan of the sculptures, something within tends to resist the destruction of art. So he was curious as to whether there might be an alternative way to dispose of these items that is not so draconian?



Mayor Crow stated as the City moves through some very large development issues, going forward, he thinks there is a need to make certain that everyone is treated with respect. Therefore, his suggestion would be to refer this question to the Arts & Letters Commission for their recommendation or advice.

Voice vote on Councilmember Smotherson's motion carried unanimously.

Councilmember Smotherson stated on a side note, there is a tree next to the apartment building located at either 7343 or 7345 Olive where people have removed bricks from the landscape wall and placed them underneath the tree to sit on. So he would ask the City Manager if he could direct staff to contact the owner of the apartment building; advise them that this is City property, and the bricks should be permanently affixed to the wall. Mr. Rose informed Councilmember Smotherson that staff would certainly move forward with his request.

**O. CITIZEN PARTICIPATION (continued if needed)**

**P. COUNCIL COMMENTS**

Councilmember Carr stated in preparation for tomorrow's TIF Commission's meeting, she has been reading and listening to all of the comments, especially those that express the concern that this development will do something to the City that was never intended. So, what she would like to point out is that the Comprehensive City Plan Update from 2005; which led to the appendage of the Bike/Walk Task Force Plan and the Parkview Gardens Plan, addresses these properties; the need for redevelopment, and the rationale behind that conclusion. Now, while this plan may need to be updated, the point she is trying to make is that this is not something Council or this City has just thought up; it is in compliance with the Comprehensive City Plan, which states, *"This area is ideal for a hotel and retail/commercial with its close proximity to the interstate entrance, exits, and access off of a major arterial. The area's highly visible location from major transportation thoroughfares, combined with the poor condition of existing buildings, presents an excellent redevelopment opportunity. This area should be reserved for uses that serve the regional customer. A low-rise office building; two to three stories is an appropriate use. A quality contained office building can connect and coexist in a compatible fashion with all adjacent land uses. Public transit to the area is also provided."* Councilmember Carr noted that since the creation of this Plan, the exchange has been updated and now functions, and looks much nicer than it did in 2005. But, the bottom line is that this development is something the City has sought to accomplish for a very long time.

Councilmember Clay stated like Councilmember Carr, he has heard the conversations; both pro and con, about the Olive/170 development and there are a couple of things he would like to point out. Some folks are talking about a Community Benefits Agreement, which is an appropriate conversation to have. But he would encourage them to look at what is already in the plan because there are elements that speak directly to community benefit.

When you look at the composition of the 3rd Ward it is predominantly comprised of African-American homeowners. And one of the main issues is that after the great recession home values in the 3rd Ward did not rebound the same way they have in the 1st and 2nd Wards. This has had some real consequences for residents of the 3rd Ward. According to the Center for American Progress, the wealth gap between African-Americans and Whites is significant.

The median income in an African-American household is \$17,000 and \$171,000 in a White household; about a ten-fold difference. While there are certainly issues of historic structural racism responsible for some of this, when you drill down to specifics, the primary determining factor is home value; the percentage of home ownership in the African-American community and the value of those homes. When home values appreciate like they have in the 1st and 2nd Wards, it allows owners to draw equity from their homes to make improvements, and those improvements will increase a home's value. This creates a generative cycle, not just for the homeowner, but for the community. However, in an environment where home values remain stagnant or depreciate, it creates a degenerative cycle; similar to what you now have in the 3rd Ward.

Councilmember Clay stated while he fully understands that this is not perfect, at this moment, he is supportive of the proposed development. But he also recognizes the need to address this notion of the perfect being the enemy of the good. U City will not get perfect but believes that he and his fellow colleagues have accepted the responsibility of doing all that they can to make sure it is the best that it can be. So his hope is that everyone has a clear understanding that this is a process. A process that will only be the best that it can be when citizens are engaged; come to meetings, and conduct their own due diligence with the goal of establishing a partnership with Council. At the end of the day, everyone should be thinking about this development and what it can do, in a real sense, for folks in the 3rd Ward and the community-at-large.

Mayor Crow thanked the Police Chief for the information on crime statistics contained in the City Manager's recent letter to residents. As Mr. Rose states, U City can always do better, but the significant drop in Tier 1 crimes was good news. So he appreciates the hard work being demonstrated by officers as they continue to make the City's communities safe.

Mayor Crow reminded residents of the TIF Commission meeting and Town Hall being held this week, both of which provide an opportunity for members of the community to learn the facts about the Olive/170 proposed redevelopment, and express their thoughts; that in turn, educates Council. The latest edition of ROARS has also been completely dedicated to this project. As Councilmember Carr's research has shown, there is nothing rushed about this project. Council is being very deliberative in their efforts to make sure this City gets the best that it can. As a result, he would like to ask everyone who is still out on social media critiquing this project where they shop, and then invite them to participate. This is a process of willing buyers and sellers. And while the City has nothing to do with this course of action, there will be a relocation plan forthcoming for businesses and residents, to ensure that anyone who wants to remain in U City will be able to do so. Council has also made it clear, that there will be no condemnation of owner-occupied residences because the intent is to improve this entire community, not to do anything destructive or negative.

On behalf of the entire Council, Mayor Crow stated he would like to express sympathies to the City's former Fire Chief Steven Olschwanger whose father; a Pulitzer Prize-winning photographer, passed away this weekend,

**Q. ADJOURNMENT**

Mayor Crow thanked everyone for their attendance and adjourned the meeting at 7:38 p.m.

LaRette Reese  
City Clerk

Jerrold Tiers  
7345 Chamberlain

You, the City Council of University City, are now considering a potential development at Olive and I-170, which will involve a "TIF". This is a major development, one that deserves careful study. It should not be rushed through. There will be something on the order of 40 businesses displaced, about 60 houses taken, as well as two churches, and the Torah Prep school. The city must receive a very large direct benefit for allowing this amount of disruption.

This is the sort of development I generally support, the city needs the increased tax base, and we need it badly, due to lack of action by previous administrations. There is no room for higher taxes on residents, we are "taxed enough already". But I am not yet seeing a big payback on this project anytime soon.

We do not need "just any" commercial development, we need the "right" development. Saying that this is "our last chance", only seems to encourage rushing headlong into "any" agreement as long as it lets some sort of project go forward. That is a totally wrong approach, this development and associated TIF needs to be a sound business decision based on facts.

Yes, this has been discussed for decades. But conditions are different now. The type of development that survives now is very different from 25 years ago. And the Olive and I-170 intersection is also very different now, it is actually thriving, and has several new or updated buildings. There has to be a very good reason to throw that away.

Let's look closely at this development.

First, why does a city approve a development of this type?

It is not a matter of "civic pride", not a "monument to farsighted leadership", not a "wonderful Western gateway to University City". Those grand sounding words are just a salesman's smokescreen. The bottom line is that the development must

provide money to the city, or it is a failure, a waste that only enriches a developer. The new tax income must be very substantially more than was provided overall by the property prior to the development. And that new income needs to begin as soon as possible, not be delayed for many years.

Developers will, in general, prefer to invest "other people's money", often in the form of a "TIF". But a TIF actually works against the interest of the city, by diverting tax income to pay for work on the development. For a development at I-170 to make sense, it has to allow the city to benefit monetarily, and benefit soon. But that is not how a TIF is structured, it takes away much of the benefit for many years.

The only added income the city will see from a development involving a TIF is half of the sales tax income, plus utility tax. But we are a "pool city". The City gets only a portion of sales tax money back. We cannot count on that alone to give a big income boost, especially since only half of the sales tax is involved.

There will be no added property tax income for the length of the TIF, because a TIF diverts that money to the developer for certain expenses. So no added money is available for schools. To justify this project, we need a better return and we need it as soon as possible. *and it needs to include help for the 3rd ward,*

The most rosy estimates from the consultant's report on the U-City website suggest perhaps 1.5 million dollars per year added sales tax income during the TIF, which sounds good. But most of that will go into the sales tax pool. We would need to pile on even more special sales tax to derive much benefit.

A TIF may last 23 years. We cannot wait that long, we need the money now.

The consultant provided an alternate estimate with no development. It is of course lower. But it essentially assumes nobody does anything for the next 20 years. That is obviously unrealistic, as private ventures have already rebuilt and upgraded in the area. There is no reason to assume that will not continue to happen.

Who is the anchor tenant? The name that has been leaked to the media for popular consumption is Costco, but it could actually end up as someone else. We need a business that will stay, not one who vacates and leaves us with an empty shell.

Who is the developer here? It is a company known as Novus Development Co. , operated by Jonathan Browne. You need to know that this same man, Jonathan Browne, was the developer for the failed Sunset Hills development. In that project, the promised residential buyouts never happened, the development stalled, failed, and was the subject of lawsuits. This history, and other lawsuits, should cause some concerns about this particular developer, even though he has completed projects since then.

Is this the best development plan? That is a matter of concern. We want a stable, modern development, one that will last far beyond the TIF, and provide a benefit to the city for decades.

The development, as shown so far, has a disturbing resemblance to old 1970s developments with acres of parking in front. It seems similar to other old-style developments which are now failing, sitting empty, or being torn down, all around St Louis.

There needs to be some new thinking. For example, Novus did a development at Rock Hill and Manchester, which is somewhat better arranged than this proposal. There is a very nice "mixed use" development across from the Galleria, combining retail, restaurants, and housing. That is much more in tune with modern trends than the old style of developments from 50 years ago with those ugly acres of parking between the street and the businesses.

Next, there is the matter of existing business tenants. Novus is reported to have purchased Jeffery Plaza, and according to media reports, is already acting to force tenants out. Perhaps he wants to help justify a “blighting” with vacancies.

As it is, the idea of that business area being “blighted” is purely laughable. Even the consultant apparently had to add-in the older homes to get sufficient allegedly “substandard” structures to make blighting look half credible.

One of the conditions for a TIF, is that there should be a relocation program for the displaced tenants and residents per 523-200 RSMo and subsequent. There seems to be zero interest in any relocation effort at the moment. The affected businesses in Jeffery Plaza are reported to be looking to move to other communities now, before any TIF action starts.

The City needs to act now to retain these businesses, both those in Jeffery Plaza, and the other businesses involved, and find places for the residents. There are many unused storefronts nearby on Olive, and for the non-retail businesses behind the frontage area, there are open areas elsewhere on Olive. If you do not act to retain the existing businesses and residents in the area, you will have failed your first test.

The Olive district is developing an ethnic business “personality” with both restaurants and retail. It seems as if there is now an intention to reverse this, to replace those restaurants and businesses with the typical generic storefronts and businesses that exist by the dozens all over the County.

Do not be carried away by the idea of “finally getting this development”. What development do we “finally get”?

Ask yourselves if this is the right development for today, will it last, or will it be yet more empty buildings in a few years? You need to make sure the development is not just whatever minimum the developer is willing to do cheaply. The wrong development could be far worse than no development.

Do your own research. There will always be consultants willing to give you the optimistic predictions you, or the developer, want, but it is up to you to check those predictions against results elsewhere. Many results elsewhere do not seem to line up with the predictions.

Ask yourselves what the bottom line is. Does this provide enough direct tangible benefit to the city now, or is this pie in the sky that may only pay off many years from now, if ever?

Remember, you are displacing a thriving business area that developed on its own, plus many residents. Be sure you get enough back that this action makes sense, and try your best not to destroy what you have now. Make this development an added benefit, not just a bland replacement.

Make sure that the decisions you make are the best possible deal for U-City. Twenty years from now, will your decisions still be good ones? The residents are asking you to make decisions with benefits that will last at least that long, and which do as little damage as possible.

Thank You

Jerrold Tiers

