# TIF Commission June 6, 2018 Meeting Minutes

The TIF Commission met at the Mandarin House Banquet Hall located at 8004 Olive Boulevard, University City, Missouri, on Wednesday, June 6, 2018. The meeting commenced at 6:03 pm.

# 1. Meeting Called to Order

The meeting was called to order at 6:03 pm.

#### 2. Roll Call

## **Voting Members Present**

Paulette Carr
Susan Armstrong
Lawrence Welty
Tom Curran
Margaret Hart-Mahon
Thomas Malecek
Glenn Powers
Andrew Durkett
Gerry Greiman
Lisa Brenner
Chelsea Addison

## **Staff Present**

**Dorothy Davis** 

Gregory Rose, City Manager Rosalind Williams, Acting Director of Community Development John Mulligan, City Attorney Adam Brown, Community Development Specialist

## Others Present on City's Behalf

Mark Grimm, Gilmore & Bell Andy Struckhoff, PGAV Planners

## 3. Approval of Minutes

Ms. Armstrong asked for an amendment to the minutes from May 23, 2018. Upon motion made and seconded, the amended minutes were approved unanimously.

# 4. Public Hearing – Olive Boulevard Commercial Corridor and Residential Conservation Redevelopment Plan and Redevelopment Projects

Bwayne Smothersen, 3<sup>rd</sup> Ward Councilmember, spoke about need to address the challenges facing 3<sup>rd</sup> Ward neighborhoods and Olive Boulevard. He stated that community benefits would come from the TIF through millions of dollars for the community. He said there would be a series of town hall meetings once the TIF is approved to get resident input as to how the money is used.

Stacy Clay, 3<sup>rd</sup> Ward Councilmember, spoke about his experience losing value in his own 3<sup>rd</sup> Ward home, and the cycle of deterioration in the neighborhood. He asked opponents of the TIF to be solution oriented, and promised to work toward a solution to the issues in the 3<sup>rd</sup> Ward no matter what.

Rosalind Williams, acting Director of Community Development, outlined the benefits of the project, stating the 3<sup>rd</sup> Ward had not been equitably treated, and was also subject to regional systems which undermine stability. She stated that University City needs revenue and resources to address the problems, and that all of U City would benefit if the 3<sup>rd</sup> Ward is helped. She also said the residents of the 3<sup>rd</sup> Ward would be involved in the process.

Gregory Rose, City Manager, explained the minor changes made to the PGAV documents, then answered questions and statements from the first part of the public hearing.

Statement: People are being forced out of their home.

Mr. Rose said these are transactions between willing sellers and buyers. Council will not use eminent domain for homeowner-occupied housing. The Council will consider eminent domain in other instances, but if the developer demonstrates to the Council's satisfaction that good faith efforts to acquire the property by negotiation have failed.

Statement: This TIF will hurt the schools.

Mr. Rose said the taxes are frozen, and that 50% of Economic Activity Taxes would go to taxing districts, so the schools were not being hurt by the TIF.

Statement: This project will gentrify the neighborhood, make it too expensive.

Mr. Rose said the project only directly affects about 40 households in the 3<sup>rd</sup> Ward out of over 5,000, and that the government cannot tell people not to sell their homes.

Question: What is the timeline for funds coming back to the 3<sup>rd</sup> Ward?

Mr. Rose said the city would ask for some of the funds in advance. He said that no later than the selling of the bonds for the commercial project, there would be \$10 million available for the 3<sup>rd</sup> Ward, and \$5 million available for Olive Boulevard.

Question: Will eminent domain be used?

Mr. Rose said eminent domain will not be used on homeowner occupied housing.

Question: What guaranteed money from RPA 1 will go to RPA 2 and 3?

Mr. Rose said that a minimum \$10 million would go to RPA 2, and a minimum \$5 million to RPA 3. If any construction occurs on this project, these monies will be delivered. The main purpose of this project is not only to provide the regional amenity to the City, it is to stimulate housing assessed values in the 3<sup>rd</sup> Ward and to reinvest in Olive Boulevard.

Question: How is this project connected with the MSD project?

Mr. Rose stated there is no direct connection, but that they would certainly be coordinating between the two projects.

Question: Could minority labor outside the union be used for this project?

Mr. Rose stated that for the commercial project, all contractors will be required to pay prevailing wage.

Question: When will the Jon Ferry report become a public document?

Mr. Rose stated that once the redevelopment agreement has been presented to Council, the document would become public.

Question: Are properties on the east side of McKnight/Woodson included in the commercial development?

Mr. Rose stated they were not.

Question: Could development happen only on the north side of Olive Blvd?

Mr. Rose stated that it is unlikely the developer can feasibly achieve the project without the south side of Olive being part of it.

Question: What is timeframe for development?

Mr. Rose said construction would likely begin in 2019 and end in 2020, but would be contingent on construction schedule of developer.

Question: What happens if revenue is not met?

Mr. Rose said that the City and residents will have no exposure – will not have any risk if the projected revenues are not met.

Question: What will traffic impacts be?

Mr. Rose stated that MoDOT would require a study of the traffic impacts.

Question: How will environmental impacts of the project be assessed?

Mr. Rose said that the project would go through all the normal processes of a development in U City.

Question: What guarantees can be made for minority participation?

Mr. Rose stated that he would recommend inclusionary language in the negotiation of the redevelopment agreement with specific percentages of minorities called for.

**Public Comment Period** 

Mr. Greiman laid out the ground rules for the public comment period. The public speakers proceeded as follows with comments.

Juleta Burrell, 1233 Mount Olive Ave, said she has been trying to follow figures on the historic, systemic impediments to homeownership, and union membership. Ms. Burrell spoke of the historical significance of the church in RPA 1. She asked to challenge Washington University to contribute more, and asked to hold the developer to the best standards of University City.

Charles Berry, 8648 Olive, stated that in the short-term, this commercial development may bring revenue, but that the long-term costs to University City could be higher because of internet sales.

Julia Lucas, 8448 Braddock Drive, grew up in 3<sup>rd</sup> Ward, moved back to U City to get away from big box stores and urban sprawl. She said that big box stores bring more chain businesses and urban sprawl, and do not support local small businesses. She said that property values around big box stores go down due to traffic, environmental degradation, big box stores are closing all around the company, and asks will University City be stuck with large construction and strip malls. Millennials are more attracted to local businesses.

Helen Fuller, 7365 Colgate, said for 35 years the City has said they have to do something against Olive, and this is a chance to do something on Olive.

Dennis Fuller, 7365 Colgate, lived in U City for 42 years, feels this project will benefit 3<sup>rd</sup> Ward and all of U City. Mr. Fuller said that revenues support our school system, and that we will lose our community if the school system fails, and that tax support is crucial for this. He also called for storefront loan companies to be stopped.

Margaret Pointer (Sonia Pointer spoke for her mother), 1551 Mendell, Asked for TIF Commission to delay a vote and support a Community Benefits Agreement. She said that this is not about trying to stop development but to insure that the people in the community benefit from development. She says the problem with the project is gentrification in the long-term, which can increase property taxes for people with lower incomes. She said this is residents' tax money, and that further community engagement is needed. She also said taking McNair away from public students to satisfy a private property owner is not right.

Roma Trousdale, 7600 Teasdale, has read all materials she could find on TIF, has waffled back and forth about support, she is most concerned with the results in our school system, and believes that more resources are needed to change school district. The development is a step in the right direction to increase community resources, and so she supports the TIF.

Traci Moore, 1410 Anna Ave, grew up in 2<sup>nd</sup> Ward and thought 3<sup>rd</sup> Ward was scary. 3<sup>rd</sup> Ward is most diverse part of University City. She understands concerns about big box stores. She says we can't turn away from something that will help us. Olive Boulevard does not look good. She wants to encourage movement into the 3<sup>rd</sup> Ward. She feels that this development can help address issues with finances. She thinks the businesses can survive if they stay a part of the project.

Kelly Miller, 7753 Ahern, says she is for a Community Benefits Agreement, and that the community should have a say in what happens with development.

Brittany Po, said she did not receive a notification of the meeting, asked how the City plans to communicate about the meeting. Asked how people would qualify for grants and loans programs. She also questioned if eminent domain would be used when someone is not willing to sell their home.

Bill Thornton, 8634 Richard Ct, has lived there for 67 years. He loves his home and his neighborhood. He has been waiting for something to happen, and wants the development to go forward quickly. He urged the commission to make a decision as homeowners have been in limbo for years. He has accepted an offer from Novus and will be able to give his sons down payment for a house.

Majesty Mukulu, Simba Restaurant, 8531 Olive, small restaurant on Olive Blvd, they started a business for the diversity on Olive Blvd, disagreed with how bad Olive is portrayed, their

restaurant is happy to be part of, and not sure if development will hurt their business. He is concerned with what will happens to renters of businesses or homes, and feels this is not being addressed.

KC Rivera, 1000 North McKnight, wondering who is expected to stay at the proposed hotel, and is wondering if we are cannibalizing retail within the region.

Leutha Baptiste, 8614 Elmore Ct, said she is not going to move, and asked how many people were notified about this meeting.

Melissa Meeks, 8145 Blancha Dr., advocating for her relatives in RPA 1. She said there were issues with property values, but wondered if the City has tried to work with banks on solving problems. She asked what is in place with the City to prevent investors from purchasing properties and not keeping them up. She said the issue of not hiring minorities is important, because they could be hired locally. She asked how long the recovery would take, and how the City knows businesses will come. She asked why not small businesses instead.

Mark Winer, 7703 Gannon, 67 year resident of U City, has served on U City Pension Board and Economic Development Board. His interest is in the schools. He feels that if we have resources from commercial tax base, this could be used to improve the schools in U City. He said the Economic Development Retail Sales Tax Board provides a tiny amount for improvements on Olive, and that this project could be more powerful for Olive Blvd and communities to the north.

Declan Gardner, 8649 Richard Court, is concerned about increase in taxes on people with fixed incomes, but feels that the home improvement grants will result in safer, healthier, more efficient homes. He and his wife improved their home through a County Home Improvement Loan, so they benefited from grant/loan program without incurring additional taxes.

Michael O'Bryan, 7301 Colgate, moved to Loop in 2007 at the start of lots of development, expects to see similar improvements in RPA 2, which are good for property owners. Increase in values was bad for neighbors – low-income neighbors. He noted that some of the money would go back into the neighborhood, and advocated for measures to secure jobs, affordable housing, etc., and asked developer and City to take concrete measures to make sure the same does not happen.

Steve McMahon, 8135 Stanford Ave, First Ward Councilman, lives near the project where the three Wards all meet. He read a letter: Anne, 6803 Kingsbury, City needs dollars and jobs, residents are happy with offers, and no project will perfectly address all problems, but without new money coming in, no improvements will be made in schools or property values. She feels that everything else can be taken care of if this gets built. Mr. McMahon feels that the TIF will address problems in the 3<sup>rd</sup> Ward, says Council listened to people's needs in the 3<sup>rd</sup> Ward, and will continue to have conversations about how to use the funds.

Rick Raaf, 8609 Richard Court, says the intersection at Olive and 170 was improved for high volume, and that this intersection is one of the best intersections on 170 with the best flow, he feels that a big box store will bring the City money, he hopes the City decides soon as normal maintenance is not being done on homes.

Cynthia Franklin, 6760 Bartmer, said that for a \$70 Million investment, there should be a Community Benefits Agreement.

Joanne Meehan, 876 N. McKnight Road, is concerned about traffic back-ups in the area, wants a quiet, safe place to live, feels the "blighted" label is a slap in the face to businesses and owners who chose this area, and feels the City is writing off people who chose this community.

Ed Beyers, Beyers Lumber, 8684 Olive Blvd, business has been in the 3<sup>rd</sup> Ward for 72 years, said this can take livelihood away from employees and businesses, questioned the use of 70 million dollars to pay for development, has employees asking if they should get another job, asked if customers would come with the business if moved. He questioned who the actual tenants would be, and would like to see numbers so that they can be analyzed by others.

Joan Bray, 7166 Pershing Ave, described how the project was started to reflect the City's values of investing in the 3<sup>rd</sup> Ward. Ms. Bray was a state senator and opposed TIFs in general because they were abused and misused. She supports this project as a way to positively use TIF. She feels the County has a history of supporting municipalities to make decisions regarding their own future. She said no other community has done this kind of TIF, and that U City needs to face the reality of the financial situation of the City, with deteriorating infrastructure, lack of services, and Wash U not contributing.

Donald Mills, 7752 Burr Oak Lane, said he is concerned for school district, and does not see how this project will assist school district. Feels that TIFs hurt schools, and wants to see what monies will be made available to the school district.

Patricia Clark, 385 Taylor Ave, said she was a member of the Meacham Park Community, and was a participant of the TIF program, supports homeowners getting a minimum of \$35-\$40 thousand per homeowner. She was a part of the Kirkwood plan in the 1990s, purchased and repaired her home with TIF funds as a former renter, and was able to sell her home later with increased value. She also participated as chair of the Meacham Park Redevelopment Committee which had a voice in the creation of the plan – she urged residents to be active in the planning process.

Linda Johnson, 8531 Richard Ave, U City resident since 1968, since talking to Mr. Smotherson, she feels her neighborhood has declined, feels the 3<sup>rd</sup> Ward needs this project.

Arion Burse, 8621 Orchard Court, is a homeowner in RPA 1, and feels that this project will offer new life, development, and opportunities for U City. He wants to see the money come back in to U City, wants to see his family be able to turn profit off his home.

Meg Ullman, 1119 Ursula, 3<sup>rd</sup> Ward resident, said area has become stagnant with disarray, negligence, sees vacant homes and buildings, homeowners fear losing their homes. She asks to give the development a chance for rejuvenation, renaissance, and revenue.

Christine Mackey Ross, 21 Princeton Ave, 25 year resident of U City, has a brother in the 3<sup>rd</sup> Ward and is appalled by the lack of investment in the 3<sup>rd</sup> Ward. She supports the project but wants to hear the concerns of residents. She believes in Community Benefit Agreements, she feels there have been points for community participation. She says this plan is not perfect, but it is the best she has seen. Said there is not opportunity, jobs, or reinvestment in the 3<sup>rd</sup> Ward.

Byron Price, 1520 78<sup>th</sup> Street, does not think this plan is a new plan, the past plans did not have funding to launch the plan, concerned that only in black neighborhoods do people frown on real estate values going up. He feels gentrification started 20 years ago, feels that people who have

not taken interest in 3<sup>rd</sup> Ward now are advocating for 3<sup>rd</sup> Ward. He feels investors are trying to buy up properties in 3<sup>rd</sup> Ward. He asked to give the project a chance.

The Chairman called for a five minute break.

Tony Granillo, 7404 Carleton Ave, sees this opportunity for commercial development to feed money into large residential and commercial areas, and feels it is an obvious benefit to the community.

Bowen Kon, owner of Seafood City Market, 8020 Olive Blvd, is concerned how his business will be affected. He employs 50 people, he is not clear what will happen to his business. He has a ten-year lease, and he worries he will be forced to leave, and he is nervous about what will happen. He wonders if RPA 2 is blighted, and if property could therefore be taken.

Bryant Antoine, 6424 Hazel, originally from Boston, is against some of what the TIF proposes, feels the development will happen regardless, but advocates for a Community Benefits Agreement for both owners and renters in U City, and believes it is great that so many people came out to speak.

Earnest Carey, Carey Family, 8641 Mayflower, has been in U City since 1965, five generation family in U City, owned several homes, three businesses on Olive, made agreement with Novus to sell their home in interest of their family, would like to see quick decision made for homeowners.

Gabe Arigieri, 8633 Mayflower Court, lives in RPA 1 and has been in U City for 14 years. He is concerned about the quality of education in U City, and believes that U City needs to invest in education. He feels that some of the business properties in RPA 1 are underused. He feels this project offers opportunity for U City residents and businesses. He said that Novus has been fair, and he is in support of the project.

Jeff Hales, 7471 Kingsbury, Councilmember, said this project presented value to University City, and feels this community is an incredible community with unmatched diversity in St. Louis County. He asked when a TIF was designed with the extent of community benefits as this, and asked if there was another community that needs a "shot in the arm" more than U City.

Peggy Nelson, 8346 Richard Ave, lives in Rock Hill and owns property in U City (Residential Development STL, LLC). She said Maplewood Commons is a hotspot for criminals, and that increase in home values means property taxes will go up. She had several suggestions for businesses to occupy the development.

Eric Parnel, 8617 Richard, said Novus originally said they could do the project without Richard Ct, disagrees with the blighted designation, and does not feel that the area is blighted. He has been in U City for 20 years. He agrees the school system needs an injection. He feels that Ward 3 has been neglected by the city, and it will take a lot of money to change property values.

MaryAnn Lucas, 7414 Carleton Ave, is a retired U City teacher of 20 years, and has no opinion for or against the development. She feels that Stacy Clay and Bwayne Smotherson are thoughtful men, she is concerned for business owners that are not willingly leaving. She asked if the City could keep them in mind, and asked a CBA would be possible.

Tim Cusick, 7915 Glenside, Councilmember, spoke about the need for sustainable economic development, and said that revenues are flat, that the City needs funds for street repairs, and

said without raising property taxes or getting more money from Wash U, the City needs more funds, and asked the TIF be approved.

Rick Shang, 3949 Lindell, from Central West End, come to U City with friends for Asian restaurants, some of the top 100 restaurants in the St. Louis area are in U City, two in RPA 3 and two in RPA 1. The loss of these businesses would be a big loss for U City and the Asians who shop here, they are a draw for customers who shop for other goods online.

David Harris, 8039 Gannon Ave, said the total current cost of the project in table two appears to be over \$18 million lower at \$208,347,000 versus \$190,040,000. The Cost/Benefit Analysis for RPA 3 (Table 4 on pp. 22-23) shows property value increase of nearly \$13 million which is the entire amount meant to be spent and is 3 times more than described, asked if they were certain about the \$6 million current amount in RPA 1 and about sales projections. He said despite Mr. Rose's claim of no exposure for U City, there will be exposure due to the development, and that U City's actions have indirectly placed the City on the side of the developer, and said there are alternatives for Ward 3 and Olive.

Arlene Zarembka, 7500 Trenton Ave, is concerned about the experiences of residents in Sunset Hills, and is concerned about small businesses on Olive. She asked if there could be efforts to bring businesses to the section of Olive between Midland and Hanley. She also pointed out that property values going up is not good for people on fixed incomes who cannot afford increase in taxes, and suggested funds be set aside to help low income homeowners maintain ownership of properties.

Jan Adams, 7150 Cambridge Ave, said she has expertise in consumer protection, and is concerned for residents getting "run over by U City political machine", is advocating for people for a Community Benefits Agreement to enforce promises made to people.

Sandra Whitley, 8642 Spoon Drive, moved to U City in 1970, and is concerned about the development and the types of people and traffic it will bring to the neighborhood.

Bobette Patton, 8639 Spoon Drive, gave 100% support for the TIF, feels the revenues are needed for the 3<sup>rd</sup> Ward and for schools.

Ellen Bern, 7001 Washington, asked not to rush the decision about this project. She said the optics are terrible, that University City needs community support, have meaningful community dialogue, there are lots of points on both sides that could make the project better through meaningful community involvement.

Aren Ginsberg, 430 West Point Court, said if Costco wants to build at 170 and Olive, they could just do it on the other side of 170 and then the money will go to another community, our neighborhoods and schools will not see any benefit, while still changing the character of the area.

Patricia Washington, 7040 Plymouth, speaking for Rise U City, asked why the grass is not cut on North and South, said there is a problem with the government's treatment of the 3<sup>rd</sup> Ward, said that residents deserve to heard on the front end, and that a socioeconomic study should be done on the impacts of the TIF. She also said a Community Benefits Agreement would make sure promises are kept.

Gary Nelling, 850 Warder Avenue, said there is a long history of Olive being in decline, and despite some investment, inertia has not been overcome. He feels U City needs a development of this size to change the trend, and believes that home values will not double.

Caroline Fan, 2725 Clifton Ave, speaking for the Missouri Immigrant and Refugee Advocates, said refugees are afraid of government retribution, the government of U City does not inform refugees, and that businesses who appreciate diversity can go elsewhere if they are neglected.

Don Johnson, 8310 Elmore, asked about minority hiring, wants 50% minority hiring, and feels the school situation should not be handled as a back door deal. He also feels that people are being forced out, said people from 1<sup>st</sup> and 2<sup>nd</sup> Ward should spend time on Olive, and it wouldn't look the same, asked why this difference was allowed to happen when he has paid taxes.

Mayor Terry Crow, 7400 University Drive, gave thanks to all the citizens for their comments, he said the diversity makes the community great, and that the government has been listening to the people's input over the years. The Council plans to move forward as soon as possible, U City has not been known to accept TIFs, but the purpose of this TIF is to rebuild the community and bring forth people left behind. He stressed that no eminent domain would be used on homeowner occupied housing. He said no TIF in St. Louis County had been this scrutinized. Finally, he asked for the commission to set another hearing date to give more time for people to give input.

There was discussion about continuing the public hearing. Ms. Armstrong asked why this was needed. Mr. Rose said that misinformation about the number of people who would be allowed at this meeting may have caused some people not to come. A motion was made to continue the hearing to June 22<sup>nd</sup> at 6pm at University City High School, 7401 Balson Ave. The motion was seconded and carried unanimously.

### 5. New Business

#### 6. Adjourn

A motion was made and carried to adjourn the meeting at 10:40pm

Note: These minutes are a summary. The full recorded meeting including public comments are available in the Public Documents section of University City's website: www.ucitymo.org