

**MEETING OF THE CITY COUNCIL**  
CITY HALL, Fifth Floor  
6801 Delmar Blvd.  
University City, Missouri 63130  
**Monday, June 27, 2022**  
**6:30 p.m.**

**A. MEETING CALLED TO ORDER**

At the Regular Session of the City Council of University City held on Monday, June 27, 2022, in the absence of Mayor Terry Crow, Mayor Pro Tem Bwayne Smotherson called the meeting to order at 6:36 p.m.

**B. ROLL CALL**

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

Councilmember Stacy Clay  
Councilmember Aleta Klein; (excused)  
Councilmember Steven McMahon  
Councilmember Jeffrey Hales  
Councilmember Tim Cusick

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

**C. APPROVAL OF AGENDA**

Mayor Pro Tem Smotherson noted that the Agenda had been amended during the Study Session to remove Item M-2; Bill Number 9469.

Councilmember Hales moved to approve the Agenda as amended, it was seconded by Councilmember McMahon, and the motion carried unanimously.

**D. PROCLAMATION**

**E. APPROVAL OF MINUTES**

1. June 13, 2022, Regular Session Minutes was moved by Councilmember Cusick, it was seconded by Councilmember McMahon, and the motion carried unanimously.

**F. APPOINTMENTS TO BOARDS AND COMMISSIONS**

1. Kimberly Deitzler is nominated for appointment to the Library, replacing Edmond Acosta's expired term (6/30/2022) by Councilmember Steve McMahon, it was seconded by Councilmember Hales, and the motion carried unanimously.

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

1. Michael Forte was sworn into the Pension Board in the Clerk's office on Friday, June 24, 2022.

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

Request Forms to Address Council are located on the ledge just inside the entrance. Please complete and place the form in the basket at the front of the room.

*Citizens may also provide written comments ahead of the meeting, which must be received **no later than 12:00 p.m. on the day of the meeting.** Comments may be sent via email to: [councilcomments@ucitymo.org](mailto:councilcomments@ucitymo.org), or mailed to City Hall at 6801 Delmar Blvd.; Attention City Clerk. **Please note that to be recorded in the official record, a name and address must be provided, as well as whether your comment is related to an agenda or non-agenda item.***

*Comments adhering to the aforementioned guidelines will be provided to City Council prior to the meeting and made a part of the official record. Public access will be made available online following the meeting.*

**Ellen Bern, 7001 Washington Avenue, U City, MO**

Ms. Bern stated the City's Zoning Ordinance requires that the Historic Preservation Commission review any changes to Civic Plaza. But according to the schedule posted in Trivers' Report only one meeting was conducted with the Commission to review the proposed plan, and no vote was taken to reflect their recommendations. She stated she was also informed that the new proposal does not comply with the original plans for the Plaza; and as a result, she is concerned about the entire process being used. One meeting on a project of this magnitude that represents the heart of this City does not make sense. And what it feels like from a community perspective is that this project is being rushed through with little or no meaningful input from the community.

The proposed fencing is another area of contention for residents that seems to be setting an extremely challenging precedent. So, she would like to thank Councilmember Hales for expressing the need to revisit this issue.

Five fifteen-minute parking spaces; which will probably be reduced to three, if handicap spaces are included, do not seem to be serving the community since visits to City Hall typically only take a few minutes.

Ms. Bern stated her last concern is about the proposal to abandon these chambers and rent this space out. But with a defective elevator, a roof that needs major repairs, and no available kitchen space, why would anyone want to rent this space out for a personal event? She stated most residents live in U City because they value its historic character, so she thinks this administration should think long and hard before saying goodbye to this building as a customary place for conducting its business.

Ms. Bern suggested that Council take the time to allow for more open community discussions, in addition to the reviews and approvals dictated by the City's governance process.

**Mary Ann Zaggy, 6303 McPherson, U City, MO**

Ms. Zaggy stated as an avid protestor, she appreciates the U City Police, who has always been great about protecting a citizen's First Amendment Rights. But at the same time, she is concerned about the fact that citizens are being asked to spend so much money on a security system for its officers that reroutes people away from the City's beautifully historic and fulsome main entrance.

Over the last couple of months attacks on citizens have taken place in grocery stores, schools, churches, synagogues, and theaters. So, why are we not working to secure these places? Because a secure community is a community that supports all of its citizens and implements programs that build the community. Bring back events like Fair in the Square; Fair U City and start placing more of an emphasis on supporting our schools, instead of erecting fences. The goal should not be to make people afraid to come to City Hall.

Ms. Zaggy stated while she appreciates the intent, she would encourage Council to listen to their residents because she certainly is not alone in her thoughts about this proposed plan.

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

Mr. Sullivan stated he does not think Bill Number 9469 should receive a 3.5-million-dollar subsidy because it seems like an abuse of the Chapter 100 provision of state law.

This provision is supposed to be an incentive for projects that might not otherwise get done, but this is a desirable neighborhood. So, in this case, it looks more like a giveaway to a very connected developer, Charlie Deutsch. And you can almost be certain that this large subsidy won't lead to lower rent for Mr. Deutsch's tenants like low-income housing tax credits provide, more than likely it will be going right into the developer's pocket.

Mr. Deutsch has a best buddy status at City Hall. He is also one of the biggest campaign contributors to U City ballot proposals and its politicians. He made a \$2,000 contribution a few months ago to the campaign for Proposition F, a proposed sales tax increase that would raise the cost of almost every purchase in U City, including groceries. And last year he made a \$500 contribution to Terry Crow's reelection campaign. Now ironically, he wants a big tax break for himself, which the City appears to be trying to sneak past residents with as little public notice as possible.

Mr. Sullivan stated it used to be that honest government was something taken for granted in U City, but as we have seen with the deception associated with the Costco Project and the dishonesty regarding Proposition F, those days are long gone. An ethical politician should never take contributions from a developer they know will be working on various projects that need their approval. Therefore, Mayor Crow should recuse himself from the vote and the proposed subsidy for the Delmar Boulevard Project should be rejected.

Mayor Pro Tem Smotherson noted that Council had received several written comments that will also be included in the record.

**I. PUBLIC HEARINGS**

**J. CONSENT AGENDA**

1. Contract with Planning NEXT for consultant services for an update to the Comprehensive Plan.
2. Community Development Block Grant (CDBG) supplemental agreement (Cochran Engineering).
3. U City in Bloom Agreement (FY23).

Councilmember Cusick moved to approve Items 1 through 3 of the Consent Agenda, it was seconded by Councilmember McMahon, and the motion carried unanimously.

**K. CITY MANAGER'S REPORT**

**L. UNFINISHED BUSINESS**

1. **Bill 9468 – AN ORDINANCE FIXING THE COMPENSATION TO BE PAID TO CITY OFFICIALS AND EMPLOYEES AS ENUMERATED HEREIN FROM AND AFTER JULY 3, 2022, AND REPEALING ORDINANCE NO. 7182.** Bill Number 9468 was read for the second and third time.

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

Roll Call Vote Was:

**Ayes:** Councilmember McMahon, Councilmember Hales, Councilmember Cusick, Councilmember Clay, and Mayor Pro Tem Smotherson.

**Nays:** None.

**M. NEW BUSINESS**

*Resolutions*

1. **Res 2022-7 –Committed Fund Reserves for Various Funds (FY22)**

Councilmember Hales moved to approve, it was seconded by Councilmember McMahon, and the motion carried unanimously.

*Bills*

1. **Bill 9469** – AN ORDINANCE AUTHORIZING THE CITY OF UNIVERSITY CITY, MISSOURI TO ISSUE ITS TAXABLE INDUSTRIAL REVENUE BONDS (DELMAR BOULEVARD REDEVELOPMENT AREA PROJECT), SERIES 2022, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$90,000,000, FOR THE PURPOSE OF PROVIDING FUNDS TO PAY THE COSTS OF ACQUIRING, CONSTRUCTING AND IMPROVING A FACILITY FOR AN INDUSTRIAL DEVELOPMENT PROJECT IN THE CITY; APPROVING A PLAN FOR THE PROJECT; AND AUTHORIZING THE CITY TO ENTER INTO CERTAIN AGREEMENTS AND TAKE CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH. (Removed)

*Introduced by Councilmember Hales*

2. **Bill 9470** – AN ORDINANCE TO AUTHORIZE THE CITY MANAGER TO EXECUTE A CONTRACT BETWEEN THE CITY OF UNIVERSITY CITY AND THE MISSOURI HIGHWAY AND TRANSPORTATION COMMISSION PROVIDING FOR THE *PERSHING AVE. IMPROVEMENT PROJECT*. Bill Number 9470 was read for the first time.

*Introduced by Councilmember McMahon*

3. **Bill 9471** – AN ORDINANCE AUTHORIZING AMENDMENTS TO THE EMPLOYMENT AGREEMENT BETWEEN THE CITY AND CITY MANAGER GREGORY ROSE. Bill Number 9471 was read for the first time.

**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

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

**Patrick Fox, 1309 Purdue Avenue, U City, MO**

Mr. Fox stated he would respectfully request that Bill Number 9471 be tabled until the full Employment Agreement has been disclosed. He stated it seems as though every other page from the original 2017 Agreement was omitted from this week's agenda attachments.

**P. COUNCIL COMMENTS**

Councilmember McMahon thanked everyone for their written and oral comments and stated that he would like to see the practice of submitting written comments remain going forward because it is a benefit to all parties.

He stated in addition to Mr. Sullivan's comments he also received nameless allegations and implications about the receipt of donations through written and emailed correspondence, as well as accusations accusing him of unethical transactions related to Prop F. All of which the Missouri Ethics Commission found no reasonable basis for. For weeks, Mr. Sullivan has supplied no facts or proof of his allegations because his only objective is to get the community to believe that their government officials are dishonest based on his word alone. So, if anyone has proof of these allegations then he would encourage them to bring that evidence forward.

Councilmember McMahon stated he thinks the folks on this Council are doing a good job working essentially as volunteers for the community. And unlike the previous administration who never listened or responded to comments that differed from their beliefs, he thinks everyone sitting on this dais is willing to listen to folks who have complaints, or who have issues they believe are impacting them. This Council simply does not operate that way, and he would encourage everyone to continue participating in these meetings and discussions concerning this community's future.

However, when you threaten his license to practice law, or his liberty, as Mr. Sullivan has done, it is inappropriate and does not reflect what he believes are the values of U City.

Councilmember Hales stated prior to his comments regarding the issue of process as it relates to several items discussed this evening, he would like to recognize two members of The Plan Commission who are in attendance tonight.

The process involving the Police Station and old Library began approximately two and a half years ago. And after a review of the minutes and agenda, he determined that this is the tenth public presentation on these issues, which were live-streamed and documented on YouTube. It has been a slow process, and the plans presented here tonight are not written in stone. In fact, he still has questions about the size of the secured parking and the character of the fencing being proposed. However, once they are finalized, the plans will go back to the Historic Preservation Commission for their review and recommendation.

With respect to Bill Number 9469, Council received its notification about the first reading of this Bill at essentially the same time the public received theirs. Each member gets a draft of the packet electronically on Thursdays and a hand-delivered copy of the final packet on Fridays. The Plan Commission has held at least six meetings on this issue, and he and Councilmember McMahon conducted three community meetings on this issue in August of 2020. The Commission recommended 4 to 1 against the abatement, and it's all public record.

What was upsetting this weekend is that innocently, a misunderstanding occurred that resulted in emails circling around the City suggesting that there would be a vote taken on this Bill tonight. One of those emails was forwarded by the former Mayor who added that Council's intent was to push this item through, while others included some of the things mentioned by Councilmember McMahon, like the Council being in the developer's pocket. Councilmember Hales stated all of these accusations were really disheartening; especially when you look at the actions taken today versus those taken in 2013, when another large development, Vanguard, requested abatement. He stated his research of this issue revealed that the records during this timeframe were woefully unkept. There were agendas with no minutes; minutes with no agendas, no reference to this project in any of the minutes or tapes of Council meetings; no public reference in the Board and Commission reports from Council liaisons; no reference that the 10-year 100% abatement for the Vanguard Project was reviewed by the Plan Commission, or that it was presented to Council for review. In fact, neither of the two current members of this Council who were also members in 2013 had ever heard about the abatement. That's because this project went through the Land Clearance Redevelopment Authority. What's also interesting; since the former Mayor decided to circulate her perplexing beliefs about the Delmar Project is that she was the Council liaison for the Land Clearance Redevelopment Authority. All of these actions are in stark contrast between the policies, processes, and approaches that have been taken by this Council.

So, he would like to make sure everyone is clear that this Bill was merely on the agenda to be introduced, as the City's Ordinance dictates that no vote can be taken before three readings, and that requires two meetings. Nevertheless, he is glad that the City Manager amended the agenda by removing this Bill because it is a 200-page document that he believes requires further study.

Councilmember Hales stated one of the wonderful things about having the privilege to serve on this Council is that they all talk to one another. And in his opinion, that open dialogue is what has helped them move forward when they've been faced with some very challenging issues. So, he simply cannot express how much he respects the members of this Commission and the work they do. He stated he would also like to thank the residents who contacted them about this issue; in particular, the few who called him and were willing to engage in a conversation to have their questions answered.

Councilmember Smotherson stated he would like to make sure everyone understands that he thinks highly of the City's police force even though he had a dissenting opinion about this proposal.

He stated this is a generational decision that requires Council to provide this City with a facility that will serve its residents well for years to come.

Councilmember Hales moved to adjourn the Regular Council Meeting, it was seconded by Councilmember Cusick, and the motion carried unanimously.

**Q. ADJOURNMENT**

Mayor Pro Tem Smotherson thanked everyone for their participation and closed the Regular Session at 7:16 p.m.

LaRette Reese,  
City Clerk, MRCC

Dissenting opinion on the annex/police station renovation

Plan for the future, move forward not backwards.

The Civic Plaza is evolving and changing.

- Lewis Place use to be Six Grade Center. Wash U is redeveloping that building into residential and office space. It will never be a school again.
- Demolition of the Delmar Building will be replaced by a hotel and the renovated Harvard building will house a conference center and business offices.

The only thing not evolving in the Civic Plaza is City Hall and the Annex. Putting the police back into the Annex will **set this city back for decades!** This closes the door for the city government and the police department to better address current issues and their future potential, for decades. This will be similar to the “Famous Barr” decision, now that was **“infamous!”**

Moving the police back into the annex is convenient, **not** forward-thinking, and is a short-term fix with long term consequences. Progress is happening all around us. An example is right in front of us, Coca’s new building is progressive, built for the future. Let us continue in that vein.

City Hall is historic, however, it is not optimal as a functioning business office, and unfortunately, we’re not giving this building the maintenance attention it deserves. We’re using it as a workplace but should be celebrating its history. Here’s the reality;

- Every department on the 3<sup>rd</sup> and 4<sup>th</sup>-floor departments of Public Works, Parks, Recreation and Forestry, and Planning Development should be moved to the Annex to better serve our citizens and municipal customers/developers/business operators.
- City Council should be using the Trinity building for Council meetings and as a Municipal Court.
- An additional use for the Trinity building should allow all of our Commissions to meet in our Government Center (Trinity building) and not in the Community Center and board room at Centennial Commons.

I know the next question is what happens with three empty floors in City Hall? One possibility to that question is simple and previously stated. Convert the 3<sup>rd</sup> and 4<sup>th</sup> floors into a “U City-centric” historical museum which it could be, making it another

“destination” drawing people to appreciate the history this building represents. The 5<sup>th</sup> floor is special and should be appreciated for its history and view. Imagine this scenario. The wedding party stays in the new True Hotel that is planned. The wedding ceremony is held on the fifth floor of city hall. They leave the fifth floor for cocktails outside on our beautiful plaza, then proceed to the reception at the 560 building, new conference rooms/office building (Harvard building) and/or back to our new hotel. This view of how we should proceed not only keeps the door open for the future but brings attention back to the importance of the University City Delmar Loop.

The only thing interfering with the evolution of civic (peoples) plaza is the inclusion of the Police station. That inclusion also blocks the evolution of the annex and trinity buildings. Allowing those buildings to be used for city business allows this city to give more attention to city hall and its rich history.

The only reason the Trivers plan includes fences is due to the security needed for the police, their cars, employees and the sally port. No police station in civic plaza, no fences.

Let’s build a state-of-the-art Police Station for a deserving department and a progressive community. Plan for the future, move forward not backwards.

Bwayne Smotherson

3<sup>rd</sup> Ward City Councilman

University City resident for more than 50 years



**LaRette Reese**

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**From:** April Sitter <aprilsitteruc@gmail.com>  
**Sent:** Monday, June 27, 2022 8:56 AM  
**To:** Council Comments Shared  
**Subject:** Fence

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

To whom it may concern,

I just want to simply state I am against a fence being installed around the city hall area in University City.

Thanks,

April Sitter Davis

8100 Amherst ave

**LaRette Reese**

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**From:** Shirley Seele <seele.a.shirley@gmail.com>  
**Sent:** Monday, June 27, 2022 12:02 PM  
**To:** Council Comments Shared  
**Subject:** Delmar Blvd Redevelopment Area Project (Avenir Apartments) Tax Abatement

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Dear Mayor and Council Members,

I am adamantly opposed to approving Bill #9469 which includes \$90 Million Dollars in bond for these high end apartments AND tax abatement valued at approximately \$3.45 million over 5 years.

The State law, Chapter 100, RS Mo. (Chapter 100 Bonds) lists several examples for projects and this type of bond, but I question high-end apartments are included in the categories.

Moreover, if financing is an issue, perhaps the developers should postpone the project.

Thirdly, I oppose a tax abatement for high-end apartments, free money, at the expense of university city residents.

Sincerely,  
Shirley Seele  
8716 Washington Avenue  
University City, MO 63124

**LaRette Reese**

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**From:** Amy Ziegler <amyziegler55@gmail.com>  
**Sent:** Monday, June 27, 2022 11:59 AM  
**To:** Council Comments Shared  
**Subject:** DO NOT ISSUE TAX ABATEMENTS

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

I cannot attend tonight's meeting, but have been made aware that the Council will be voting on issuing tax abatement for a project by the Deutsch family. I am completely opposed to this, pending at least an open discussion and follow up with the residents of University City. It appears that the City has reversed its position on this matter and no vote should authorize this massive tax abatement without further discussion. I will be present at following meetings but am appalled that the City would consider this underhanded method of operation.

Amy Ziegler

***Amy Ziegler, LPC, JD***  
***Licensed Professional Counselor***  
8000 Bonhomme Ave., Suite 312  
Clayton, MO 63105  
636-725-2639

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## LaRette Reese

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**From:** Anne Lewis <asl63130@gmail.com>  
**Sent:** Monday, June 27, 2022 11:37 AM  
**To:** Council Comments Shared  
**Subject:** re Avenir tax abatement

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

I want to register my opposition to this tax abatement. If, according to the recent Prop F vote, the City does not have the funds to adequately provide for the fire department pension funds, why are you now giving away more tax resources to this developer? Tax payers in U City are already heavily taxed. These funds need to be used for projects that benefit all, especially City services and maintenance of roads, sidewalks, trees.

Anne Lewis  
825 Midland Blvd., 2S

**LaRette Reese**

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**From:** William Ash (wmash47) <wmash47@gmail.com>  
**Sent:** Monday, June 27, 2022 10:59 AM  
**To:** Council Comments Shared  
**Subject:** Public Comment for City Council Meeting June 27, 2022

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

On Agenda Item M: New Business Item #2--Bill 9469: Taxable Industrial Revenue Bonds (Delmar Avenue Redevelopment Project)

Dear Council Members,

The proposed 5-year tax abatement contained within bill 9469 is the same as was voted down by the Plan Commission by a 4-1 vote on March 23. It is now re-purposed within a proposed bond issuance to finance the project.

Tax abatement should only be necessary to spur development on worthy projects which benefit U-City as a whole. The developer already has his project approved. It will continue to be profitable and go forward without a tax abatement. Nor does he need the assistance of our city to finance it. I see no practical or ethical reason why such abatement should be granted. It would deprive U-City of \$3.45 million in revenue to support city services.

To grant abatement would enrich the developer at the expense of all of us. Isn't your role as Council members to look out for the best interests of our community? It follows that this bill should not go forward. Please vote no on this motion.

Thank you.

Sincerely,

William Ash  
8690 West Kingsbury Ave.  
University City, MO 63124

**LaRette Reese**

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**From:** Sandy Macon <sandymacon@gmail.com>  
**Sent:** Monday, June 27, 2022 10:43 AM  
**To:** Council Comments Shared  
**Subject:** UCity Tax \$3.45M

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Sandy Macon  
7101 Hazelwood Ln, University City, MO 63130

We do not need to give away \$3.45M tax dollars.

## LaRette Reese

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**From:** Roger <rocketpolymers@att.net>  
**Sent:** Monday, June 27, 2022 10:25 AM  
**To:** Council Comments Shared  
**Subject:** Delmar Redevelopment/Avenir Abatement

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

To whom it may concern,

I'd like to express my concern about the city RAISING taxes while also subsidizing luxury apartment complexes. The proposed 90 million Dollar bond issue #9469 seems to do just that. The planning commission voted 4-1 against recommending tax abatement for the Avenir Project. It appears that by changing the name they have convinced some city leaders to try and sneak this abatement scheme in the back door. This bond issue seems to be much more complicated, much riskier, give a GREATER benefit to the developer AND be more expensive for the city to implement and oversee. This project is raising the density of our neighborhood by over 5 times. The developer has continually shown a complete disregard for the neighbors and the sanctity of their homes. Hundreds of different neighbors have expressed concern and opposition to the scope and size of this project. In addition to being completely ignored in this regard, it appears the city is trying to now force the neighbors to help PAY for a project that doesn't fit the area, and that was opposed by all but a very "select few" individuals with the power to approve this. What happened to the days when neighborhood input and transparency were the norm? Since when does a bill costing the city and it's residents millions of dollars get proposed on a Friday for initial discussion (and perhaps adoption) the following Monday? This does not feel transparent in any way, nor has it been from the beginning. If this was in the best interest of the community, why is the council not asking for input in a timely and honest fashion? Other projects within blocks of this one have been denied city help, why is this (already) very successful developer being given millions of dollars (our TAX DOLLARS) to build a luxury apartment building that the neighbors are opposed to and it's going to be built with or without city financial involvement! The developer has been acquiring these properties for decades and neglecting them for this very purpose. The city should never have allowed the buildings to get in such disrepair as to warrant blighting.

I'll finish by saying the developer and the CITY promised the neighbors no (none, zero) construction (or tenant access) would be allowed from, or on Kingdel. The project is only about 3 weeks started and already there's construction trucks and a commercial roll-off dumpster full of hazardous waste on Kingdel and in the neighborhood. I'm not opposed to development and progress, it certainly appears the city is supporting the wealthy at the expense of the rest of us.

Roger Cohen  
500 Kingdel  
St. Louis, MO 63124  
314-540-3261 (cell)

**LaRette Reese**

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**From:** cangelly701@gmail.com  
**Sent:** Monday, June 27, 2022 10:24 AM  
**To:** Council Comments Shared  
**Subject:** Avenir Project

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

To Whom It Concerns,

We are totally against the giving Charles Deutch a 5 year tax abatement. It appears that members are telling constituents one thing and voting differently on the their words. All of U City residents should not bear the costs for their financial gains. We are totally against this and will vote against my councilman at the next election.

Regards,

Cindy Angelly  
8743 Teasdale Ave  
U City, MO 63124  
Angelly701 LLC  
314-369-8862



**LaRette Reese**

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**From:** Linda Mayer <llmayer@aol.com>  
**Sent:** Monday, June 27, 2022 9:10 AM  
**To:** Council Comments Shared  
**Subject:** Bill 9469

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Dear U-City Council members,  
We wish to voice our opposition to tax abatement for the Avenir project.

Respectfully submitted,  
Richard and Linda Mayer  
992 Albey Lane  
U City, MO 63132

Sent from my iPhone

**From:** Kathy Victor <KathyVictor@STLDA.COM>  
**Sent:** Monday, June 27, 2022 8:22 AM  
**To:** Council Comments Shared; Steve McMahon; Jeff Hales; Terry Crow  
**Cc:** Steve McMahon; Jeff Hales; Terry Crow  
**Subject:** Bill #9469

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Dear Councilmen and Mayor Crow,

It has come to my attention that there will be a vote this evening on granting 5 years and \$3.45 million in tax abatements for the Avenir project which will be on your agenda under Bill 9469. The City Planning Commission originally voted 4 to 1 against giving tax abatement to the Developer. Why is the City Council ignoring this recommendation?

Can you please table these issues and give the U-City community the opportunity to weigh in on these concerns? It is my understanding that the description of projects that qualify for this type of bonds are warehouses, distribution facilities, research and development facilities, office industries, agricultural processing industries and service facilities. Is this being granted because of the 1,300 s.f. commercial coffee shop that is a very small part of the entire project?

Is this a way for the U City government to sneak in the tax abatement? I certainly hope not. I want to believe that our city officials cannot be bought and compromised on how they make decisions that affect the entire community. Please carefully reconsider approving this tax abatement.

Sincerely,  
Kathy and Reggie Victor  
8739 Washington Ave.  
University City, MO 63124  
314-223-2658  
314-223-2659

**LaRette Reese**

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**From:** Rebecca Hrustic <rlmunsen@hotmail.com>  
**Sent:** Monday, June 27, 2022 2:19 AM  
**To:** Council Comments Shared  
**Subject:** Bill 9469

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

We are opposed to Bill 9469 – AN ORDINANCE AN ORDINANCE AUTHORIZING THE CITY OF UNIVERSITY CITY, MISSOURI TO ISSUE ITS TAXABLE INDUSTRIAL REVENUE BONDS (DELMAR BOULEVARD REDEVELOPMENT AREA PROJECT)

Haris and Rebecca Hrustic  
8685 W. Kingsbury Ave  
University City, MO 63124

**LaRette Reese**

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**From:** Donna Wilensky <mmwtwins@gmail.com>  
**Sent:** Sunday, June 26, 2022 10:11 PM  
**To:** Council Comments Shared  
**Subject:** Bill # 9469

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

To the council,

Please DO NOT vote for the Bill # 9469. This would issue bonds and give a tax abatement to The Avenir Project.

It is very apparent that the name Delmar Blvd. Redevelopment Area Project is just a disguise for the Avenir Project.

This change of name is directly linked to finding a loophole in order to get the tax abatement for the Avenir Project, which has already been documented and DENIED!!!

You are not fooling anyone in this sudden name change. It is DISGRACEFUL and DISHONEST. ALSO VERY SAD THAT PEOPLE HAVE TO STOOP THAT LOW!!!

WHAT HAS HAPPENED TO ETHICS ??

DONNA WILENSKY

8801 WASHINGTON AVE.

**LaRette Reese**

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**From:** Sarah Myers <shmyers4@gmail.com>  
**Sent:** Sunday, June 26, 2022 8:47 PM  
**To:** Council Comments Shared  
**Subject:** Bill 9469

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Good day,

My name is Sarah Herstand Myers and I live at 8716 West Kingsbury Ave., St. Louis, MO 63124, in the neighborhood that will soon include the Avenir apartment complex being developed by Mr. Charlie Deutsch. I attended virtually the recent plan commission meeting where the members voted strongly against giving tax abatement to the developer. If I recall correctly, the vote was 4 to 1 against tax abatement.

I'm assuming that the city council is not required to follow the recommendation of the plan commission, but I certainly hope they will. I remain very much against tax abatement for this project, and hope it is not awarded.

Also, is the Delmar Boulevard Redevelopment Area Project a new name being used for Avenir? Or is it the name of a larger redevelopment area along Delmar Blvd including other projects such as the Delcrest Plaza redevelopment? If it's a new name for Avenir, it unfortunately makes it look like obfuscation -- a way to keep neighborhood residents from paying attention to this bill. If that's not the case, it is probably worth taking a few moments Monday night to clarify this. If it is the case, that's very upsetting.

Respectfully submitted,  
Sarah

--

Sarah Herstand Myers  
8716 West Kingsbury Avenue  
St. Louis, MO 63130

## LaRette Reese

---

**From:** Mary Carver <marycarver76@gmail.com>  
**Sent:** Sunday, June 26, 2022 2:49 PM  
**To:** Council Comments Shared  
**Cc:** Mary Carver; doncarver76@gmail.com  
**Subject:** Tax abatement

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Both Don & I oppose this 5 year tax abatement to developer Charles Deutsch & Co. Bill # 9469.

When you do the math, it doesn't make sense for residents of U City to pay another \$100 in taxes so they can go ahead with their project.

As we all know, that \$100.00 MORE will not go away after 5 years.

With the economy tanking, gas, food, and energy costs have sky rocketed. So you want to burden the citizens with higher taxes so this company can build? How about you spend some of that money and hire some employees to take care of our city and it's residents!!

We vote NO!

Don & Mary Carver  
7614 Teasdale

## LaRette Reese

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**From:** Margaret Diekemper <diekempermargaret@gmail.com>  
**Sent:** Sunday, June 26, 2022 1:49 PM  
**To:** Terry Crow; Council Comments Shared; Steve McMahon; Jeff Hales  
**Subject:** Tax Abatement for Avenir

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Mayor and Councilmen:

I strongly oppose the proposed tax abatements for the Avenir Project. While the City's Planning Commission made its reasoned "no" decision on this, reports are that you and the rest of the Council are teeing up to vote in favor of this major tax abatement. Why do the Council and Mayor see it otherwise? I have several friends who live in the adjacent neighborhood and they have for years spoken (in vain) against Charlie Deutch's development and the encroachment into their neighborhood. No doubt the Planning Commission heard from these citizen neighbors and are listening - It is my fervent hope that you will listen too.

It is my understanding that the intended occupants of this development will be tenants of the corporation. So, why doesn't the developer simply raise the ante for the tenants instead of taking our tax dollars for his benefit and essentially shorting city coffers of substantial tax monies. Granting this tax abatement is not fiscally responsible and I reiterate my opposition to awarding this to Charlie and Zack Deutsch's development group for Avenir.

Sincerely,

Margie Diekemper  
8039 Gannon Avenue  
U. City, MO 63130

**LaRette Reese**

---

**From:** Miriam Sorkin <sorkinmimi2020@gmail.com>  
**Sent:** Sunday, June 26, 2022 11:51 AM  
**To:** Council Comments Shared  
**Subject:** Vote NO on the tax abatement

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

To whom it may concern:

We strongly oppose University City issuing bonds to provide a tax abatement for the Avenir project. The City Planning Commission has voted 4 to 1 against giving tax abatement to this Developer. Therefore, we want you to vote NO. You were elected to represent us, your constituents, and be fiscally conservative and good stewards of our tax dollars. Our tax dollars must be used to make University City excellent for those of us who live, work and attend school here.

Your constituents in Ward 1,

Mimi and Michael Sorkin

10 Westridge Court, University City



## LaRette Reese

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**From:** Donna Nickum <dsn232@sbcglobal.net>  
**Sent:** Sunday, June 26, 2022 11:06 AM  
**To:** Council Comments Shared; Jeff Hales; Steve McMahon; Terry Crow  
**Subject:** Tax abatement/bonds for the Avenir development

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Good day.

Once again, I wish to voice my opposition to any tax abatement for the Avenir development. It seems very wrong to me that a wealthy developer should get a tax abatement when the average/very needy citizen does not.

Also, raising money for the Avenir project through bonds is not okay with me. I believe that should be a ballot issue decided by the people it will affect rather than a city council decision.

Respectfully,  
Donna Nickum  
8717 Teasdale Ave.  
63130

**LaRette Reese**

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**From:** Jude Hagene <judehagene1958@gmail.com>  
**Sent:** Sunday, June 26, 2022 8:47 AM  
**To:** Council Comments Shared  
**Subject:** 9469

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Please vote NO on 9469.

I do not want to pay more in taxes to make a rich guy richer.

Jude Hagene  
533 Mapleview Dr.

Sent from my iPhone

**LaRette Reese**

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**From:** Carol Ross <carol.ross@charter.net>  
**Sent:** Saturday, June 25, 2022 9:46 PM  
**To:** Council Comments Shared  
**Subject:** Bill 9469

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

I am very much opposed to giving tax abatements for the Delmar Blvd Redevelopment Area Project, Bill 9469. Please vote NO on this bill; University City residents cannot afford to give away more tax dollars to another developer! Let's invest in our schools and our roads, our infrastructure, police and fire departments, our elderly and youngest residents and all those in between.

Please vote NO on Bill 9469!

Carol Ross  
505 North and South Rd  
University City, MO 63130

**LaRette Reese**

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**From:** Rick Aurbach <rlaurb@me.com>  
**Sent:** Saturday, June 25, 2022 4:43 PM  
**To:** Council Comments Shared  
**Subject:** Public Comment: Bill 9469

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

My name is Richard Aurbach.  
I reside at 8233 Tulane Avenue in University City (in Ward 1).  
I am speaking against Bill #9469.

I have read the proposed bill and wish to voice the following concerns:

- It is my belief that public bonds for private projects, tax abatements, TIFs and other forms of public incentives should not be used. They seldom result in long-term benefit to the city or its residents and primarily serves to enrich the builders (to the city's detriment).
- If a builder devises a project which is only viable with public funding (i.e., which is not viable if purely self- or investor-financed), it is not compelling enough to be implemented.
- While the proposed development may comply with the current Missouri Attorney General's reading of the Chapter 100 law, it clearly violates the spirit of that law.
- While the provided materials make clear the ways in which the proposed bill would benefit the developer and shows the projected losses to public institutions, it does not specify either  
(a) the benefits (both financial and non-financial) to the city and its residents were the project funders, or  
(b) the possible risks to the city and/or its residents should the project not be completed as planned.

Since I believe that any agreement should be balanced and offer equal benefit and equal risk to all parties, and since it appears from the offered documentation that the developer receives all the value and the city accepts all the risk, this proposed bill should NOT be approved.

Cheers,

Rick Aurbach

When I am working on a problem I never think about beauty. I only think about how to solve the problem. But when I have finished, if the solution is not beautiful, I know it is wrong.

– R. Buckminster Fuller, engineer, designer, and architect (1895-1983)

**From:** John G <jgerardi@hotmail.com>  
**Sent:** Saturday, June 25, 2022 3:51 PM  
**To:** Council Comments Shared  
**Subject:** 5 Year Tax Abatement and Bond for Avenir, a.k.a. Delmar Redevelopment Area Project / Bill # 9469

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

*The Planning committee voted 4-1 AGAINST giving a tax abatement for this project. Why would University City even CONSIDER a tax abatement and bond for a developer that essentially let his own properties become barely maintained and difficult to rent, and then reward him with a tax abatement.*

*If University City wants to improve its tax base and revenue and drive growth, I'd like to point out that with all the other housing projects within 1.5 miles of Avenir/Delmar, and how many new construction multi-resident dwellings in the last 10 years that have never been at capacity, I think this direction is not only short-sighted, it is a clear example of placing a developer before the long-term benefits of the city.*

*I'm curious how a residential property with a single 1,300 square foot Coffee shop, even qualifies for the type of bond being proposed. "warehouses, distribution facilities, research and development facilities, office industries, agricultural processing industries, service facilities", particularly with the number of places one can buy coffee, nearby.*

*If this project is such a great idea for University City, with solid planning and execution, the developer shouldn't need a tax abatement/bonds to help subsidize it, and should still be able to manage a more than reasonable profit without taking University City funds on top of that. We the citizens of University City do not have an obligation to line developer pockets. The City council should be doing the math on the extra strain this proposed facility will take on existing University City resources and make sure that taxes generated by this effort will be able to pay for itself.*

*John Gerardi  
8700a Delmar Blvd.*

**From:** mlaz279293@aol.com  
**Sent:** Sunday, June 26, 2022 7:54 PM  
**To:** Council Comments Shared  
**Subject:** Bill 9469 Delmar Blvd Redevelopment Area Project/Avenir

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

**The City Council should not vote to pass Bill 9469 since it includes tax abatement.**

I am against tax abatement for this project.

The Planning Commission **voted 4 to 1 against** giving tax abatement to this project, the Avenir project. Now it is being called the "Delmar Blvd Redevelopment Area Project" , but whatever it is being called, it should not be financed on the backs of the other UC residents who have to pay all their taxes.

This new plan was obviously designed to be a tactic to get around the planning commission vote and get tax abatement granted for the developer. No one had ever discussed bonds being issued before this scheme showed up on the agenda this week, so why now? Who came up with this idea? Why was it not mentioned in the last 3 years of discussions about this project? Is it being brought up on the 27th so there will be a distraction from the special hearing before this meeting for another controversial issue in the hopes you will not want another controversy? Does the city want to become a landlord? What happens if the developer goes bankrupt? There are lots and lots of questions, And all this is not necessary.

As the representatives and the voice of all Citizens of University City, not just a few, **please** do not allow tax abatement.

The residents voted down a sales tax increase for a much better cause than this. We don't want higher taxes and even though it claims that there will be no tax revenues to finance the bonds, it would cost each tax payer extra money by the loss of taxes to the city for the years of the abatement after the first year if granted. The city could do a lot with the several millions of dollars for the 5 years that they would receive if no abatement is given.

And just because Olivette did this for a project, does not make it right to for U City to do. Two wrongs don't make a right.

Why should University City residents bare the cost of giving a developer, whoever they are, a tax break, especially when they caused the property to be blighted in the first

place, buying up properties and not improving them and holding on to them until they could get them blighted. The area was fine the way it was.

This is a bad precedent for U City if you allow this.

Some of the reasons the developer gave at the Planning Commission meeting for the apartments on the 8600 block of Delmar & Kingdel to be needing blighting were- there were cracks, water was in them sometimes, there was some asbestos, an abandoned car sat on the property (no neighbors recall seeing that and if it was there, it wasn't for long and was removed, and **it would cost too much to fix them up.**

The interesting thing is, people were living in those apartments until the end of December, 2021 when they were given the deadline that they had to be moved out and we saw several moving vans at the end of the year. How come the apartments were ok to be lived in and having to pay rent until the end of December, 2021 and needed blighting at the beginning of 2022? If the apartments were in such bad shape how was occupancy allowed for all of that time?

And if these are reasons for blight and tax abatement, than all residents of our older homes in UCity should be given tax abatement, as most of us suffer from many of these conditions. Where do we apply?.

Also, a house that was over 100 years old was allowed to sit and go into disrepair and need to be torn down by the developer instead of fixing up this century old house as an historical landmark, which could have added value to our community.

**No one is making the developer do this development, it is their choice.** It was not a needed project. The area was fine without a 260 plus luxury monstrous sized apartment building going in. Property values are continuing to rise in the area.

The Kingdel/DelPrice neighborhood who will be effected the most, did not want this project in the first place when they found out about it, and it will surely disrupt our lives and neighborhood forever. Please don't make us, and the rest of U City, pay for it too and add insult to injury.

**Please do not grant tax abatement for this project, whatever name you want to call it.**

**Vote NO on Bill 9469.**

Thank you.  
Margie Kranzberg Lazarus  
8808 Washington Ave

None of the UCity residents should have to be paying for it .



**From:** valmik thakore <valmikt@hotmail.com>  
**Sent:** Sunday, June 26, 2022 7:23 PM  
**To:** Council Comments Shared; Jeff Hales; Steve McMahon  
**Cc:** Terry Crow; Gregory Rose; Tim Cusick; Bwayne Smotherson; Aleta Klein; Stacy Clay; John Wagner  
**Subject:** Public Comment on City Council Agenda Item for June 27, 2022 Meeting with attachment  
**Attachments:** June 27, 2022 City Council Meeting Comments.pdf  
**Importance:** High

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

**This is a public comment on City Council Meeting on June 27, 2022;**

**On Agenda Item M: New Business Item #2- Bill 8469: Taxable Industrial Revenue Bonds (Delmar Boulevard Redevelopment Project).**

My wife and I own the property at 8727 W Kingsbury Ave, University City, MO, 63124. Our house is in the neighborhood impacted by the proposed "**Facility for An Industrial Development Project**" previously known as "Avenir Project".

**Tax Abatement Related IMPORTANT COMMENTS**

- a) The developer had originally requested Tax Abatement for 5 years for the same project, under Chapter 353 in their submittal to the Plan Commission of the City at March 23, 2022, and was rejected/ voted down by 4 to 1 vote by the Plan Commission on March 31, 2022 meeting.
- b) The developer is now applying for similar Tax Abatement for 5 years via a convoluted Bond Issue under Chapter 100 RSMo disguised as "A Facility for an Industrial Development Project" for the same Avenir Project including 262 Residential Apartment Units and 1300 sft of Commercial Space.
- c) A tax abatement totaling \$3.45 million simply means that till 2030 OUR taxes will remain high or may have to be increased to provide police, fire, EMS, school, library, etc. services to 262 new units. We will be subsidizing the developer's profits while having our property values decline and significant negative impact on our quality of life due to increased burden on city service. Based on the population of University City, the proposed tax abatement works out to a \$100 gift to Charles Deutsch & Company from every citizen.
- d) On April 5, 2022, we were asked to approve Prop F to increase our sales tax by 0.25% "for the purpose of providing revenues for the operation of the University City Fire Department". On one hand the City is asking for us to increase tax on poor and middle-class citizens and on the other hand the City is planning to give it away to a rich developer.
- e) Charles Deutsch and Company's letter dated October 16, 2020 states that the Avenir Project will have "luxury one-bed and two-bed apartments, with rents ranging from \$1,600 to \$3,600 per month."-much higher than the monthly income of a large portion of University City families. Given that a mortgage payment should be a maximum of 30% of a borrower's income, it's reasonable to assume that the renters will be making 60,000 to 130,000 dollars or more per year. Avenir's original proposal shows apartments with 630 sft. to 1445 sft. area. Based on this information, any form of Tax Abatement financed by ordinary, medium to lower income citizens of the City does not seem to be a reasonable use of our limited resources. Our tax dollars should not be used to finance a luxurious lifestyle at cost to the average tax payer.

**Tax Abatement under Chapter 353 or Chapter 100 or any other name is the SAME TAX ABATEMENT THAT WAS VOTED DOWN BY THE PLAN COMMISSION.**

There should be no tax abatement. Please vote it down just as the Plan Commission did.

Also, the Notice dated June 24, 2022 for this Agenda Item should have been very transparent in identifying the beneficiary development project as "**AVENIR PROJECT**" on the Agenda Item on page 2, and **not hidden under "Taxable Industrial Revenue Bonds" (Delmar Boulevard Redevelopment Project)**. One has to dig through a large **274-page file** and find the first reference to the address of the "INDUSTRIAL PROJECT" on page 57. In all 182 pages related to this Ordinance as the attachment to the Meeting Agenda, there is not once any mention of Avenir Project. **I wonder why?**

Also, in a letter dated June 21, 2022, sent by Mr. Zack Deutsch to the neighborhood about the status update on Avenir Project, there is not a word about their application to the City for this Bond Issue Ordinance. **I wonder why?**

Thanks

Valmik Thakore and Rajul Thakore,  
8727, West Kingsbury Avenue, University City, MO 63124

Attachments:

1. June 27, 2022 City Council Meeting Comments (for format)

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**On Agenda Item M: New Business Item #2- Bill 8469: Taxable Industrial Revenue Bonds (Delmar Boulevard Redevelopment Project).**

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- c) A tax abatement totaling \$3.45 million simply means that till 2030 OUR taxes will remain high or may have to be increased to provide police, fire, EMS, school, library, etc. services to 262 new units. We will be subsidizing the developer's profits while having our property values decline and significant negative impact on our quality of life due to increased burden on city service. **Based on the population of University City, the proposed tax abatement works out to a \$100 gift to Charles Deutsch & Company from every citizen.**
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Also, in a letter dated June 21, 2022, sent by Mr. Zack Deutsch to the neighborhood about the status update on Avenir Project, there is not a word about their application to the City for this Bond Issue Ordinance. I wonder why?

Thanks

Valmik Thakore and Rajul Thakore, 8727, West Kingsbury Avenue, University City, MO 63124

**From:** Asim Thakore <asim.thakore@gmail.com>  
**Sent:** Sunday, June 26, 2022 7:17 PM  
**To:** Council Comments Shared  
**Cc:** Jeff Hales; Steve McMahon; Aleta Klein; Terry Crow; Tim Cusick  
**Subject:** Avenir/Delmar Tax Abatement

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Hello,

This is a public comment on Agenda Item M2 - Bill 9469. We own the property at 8727 W Kingsbury, in the area impacted by the Agenda Item.

This is a bill purportedly about industrial development within University City. Buried some several hundred pages within this bill is a \$3.45 million dollar tax abatement for the Avenir project in the western portion of University City.

The requested tax abatement is strongly similar to (if not identical) to a requested abatement from the developer that was voted down by the Plan Commission, 4-1. A member of the Plan Commission, an economist at the St Louis branch of the Federal Reserve Bank, pointed out that there was no economic justification for an abatement.

I agree with this expert, and the Council should take time to view his remarks. The Council should then take the economist's educated views on board and reject the request for a tax abatement. It will provide no ROI.

It is apparent that the developer will build his 262 unit luxury condo building regardless of receiving a tax abatement or not---if 3.45 million is the difference between success and failure, no developer with a brain would move forward with such a project. Thus, this abatement is pointless. Perhaps if the developer is willing to include actual, affordable housing, the City should consider a tax abatement, but let's not hold our breath hoping that will happen.

University City residents are often reminded that the developer is "U City's biggest taxpayer". That is wonderful, and we certainly don't begrudge him his success. But that in and of itself does not mean he deserves a subsidy from small taxpayers. That case has never been made---most likely because it doesn't exist.

There are plenty of U City residents and small businesses who are hurting after the pandemic and with inflation. Perhaps 3.45 million dollars should be directed to U City residents and businesses who actually need the money, instead of a wealthy developer.

3.45 million might not seem like a lot to the Council, but if targeted to relief for small businesses, it could be the difference between a restaurant overcoming first-year struggles, or a boutique able to hire staff to stay open. Heck, we could maybe even come up with a plan to help re-open unique businesses like the Tivoli.

This abatement works out to 100 dollars per citizen. 100 dollars per person may not seem like a lot to the Council, but it is the difference between a car repair that keeps someone in a job, that little bit extra that buys a family a used washer/dryer so the family can save on laundry, or the ability for a senior citizen to run the air-conditioning in life-threatening heat waves. Direct relief to those U City Citizens who need it the most would **save lives**. A handout to the developer would simply pad his bank account.

There is no economic case for this abatement---we have heard from an economist who knows more than any of us about the issue. This abatement would be a spectacularly poor use of city money.

More importantly, there is a moral case **against** this abatement---and good public policy is and ought to be morally centered. The Council and U City prides itself on being progressive and forward-thinking. I urge the Council to live its values and see that there is no justification for asking ordinary, working families to hand money to a millionaire to build a condo he's going to build anyway.

Please vote against this tax abatement.

Sincerely,

Asim Thakore

**From:** VAH <victorianika59@gmail.com>  
**Sent:** Saturday, June 25, 2022 12:11 PM  
**To:** Council Comments Shared  
**Cc:** Terry Crow; Jeff Hales; Steve McMahon  
**Subject:** URGENT: Adamantly Opposed to Bill #9469 (AKA Avenir Tax Abatement)  
**Attachments:** Avenir Tax Abatement Bonds 2022-06-27-Council-Packet.pdf

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

I see that the **City Council is going to vote on Monday night on giving Charlie Deutsch a tax abatement for 5 years for the Avenir project.**

I also see that he has disguised this with a different name for the project (implying that he KNOWS he is trying to get away with something) calling it the *Delmar Blvd Redevelopment Area Project* in the Agenda. I see that the city council is also planning on issuing up to \$90 Million dollars in bonds for the developer and included in it is 5 years of tax abatement for Charlie Deutsch. It is under the new Bill #9469.

Please see the attached *PDF of the few pages from the full attachments in the packet that can be opened from the City's link about this Agenda Item (starting from page 57 to 238)*. My attached PDF of pages 57 to 67 is describing the Ordinance's scope/intent. I have highlighted Tax Abatement amounts and the State Law's requirement under Chapter 100, RS Mo. (the "Chapter 100 Bonds"). **Avenir will get about \$3.45 million as tax abatements. This means that one way or the other every U City resident will be giving \$100 to Charles and Zack Deutsch.**

**concerning the bond issue:**

*On page 13 of the attachment there are descriptions of project types that qualify for these types of bonds. It says "...warehouses, distribution facilities, research and development facilities, office industries, agricultural processing industries, service facilities...". I don't know how Avenir project satisfies this condition. 1300 sq ft. of Commercial/ Coffee Shop is the only thing that comes anywhere close- the vast majority of the square footage is designated for residential units.*

The City Planning Commission originally voted 4 to 1 AGAINST giving a tax abatement to the Developer. Is the City Council ignoring this recommendation?? If so, WHY??

Please note for the record that I am ADAMANTLY opposed to U-City issuing these bonds and giving Charlie/Avenir/Delmar Blvd Redevelopment Area Project the 5 years of tax abatement.

63124  
314.725.0551



MEETING OF THE CITY COUNCIL  
CITY HALL, Fifth Floor  
6801 Delmar Blvd.  
University City, Missouri 63130  
Monday, June 27, 2022  
6:30 p.m.

Citizen may also observe the Meeting via Live Stream on YouTube:  
<https://www.youtube.com/channel/UCyN1EJ-Q22918E9EZimWoQ>

**A. MEETING CALLED TO ORDER**

**B. ROLL CALL**

**C. APPROVAL OF AGENDA**

**D. PROCLAMATION**

**E. APPROVAL OF MINUTES**

1. June 13, 2022 – Regular Session Minutes

**F. APPOINTMENTS to BOARDS AND COMMISSIONS**

1. Kimberly Deitzler is nominated for appointment to the Library, replacing Edmond Acosta's expired term (6/30/2022) by Councilmember Steve McMahon.

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

1. Michael Forte was sworn into the Pension Board in the Clerk's office on Friday, June 24, 2022.

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

Request to Address the Council Forms are located on the ledge just inside the entrance. Please complete and place the form in the basket at the front of the room.

*Citizen may provide written comments ahead of the meeting; they must be received **no later than 12:00 p.m. the day of the meeting**. Comments may be sent via email to: [councilcomments@ucitymo.org](mailto:councilcomments@ucitymo.org), or mailed to the City Hall – 6801 Delmar Blvd. – Attention City Clerk. Such comments will be provided to City Council prior to the meeting. Comments will be made a part of the official record and made accessible to the public online following the meeting. **A name and address must be provided**. Please also note if your comment is on an agenda or non-agenda item. If a name and address are not provided, the provided comment will not be recorded in the official record.*

**I. PUBLIC HEARINGS**

**J. CONSENT AGENDA**

1. Contract with Planning NEXT for consultant services for an update to the Comprehensive Plan.
2. Community Development Block Grant (CDBG) supplemental agreement (Cochran Engineering).
3. U City in Bloom Agreement (FY23).

**K. CITY MANAGER'S REPORT**

**L. UNFINISHED BUSINESS**

1. **Bill 9468 – AN ORDINANCE FIXING THE COMPENSATION TO BE PAID TO CITY OFFICIALS AND EMPLOYEES AS ENUMERATED HEREIN FROM AND AFTER JULY 3, 2022, AND REPEALING ORDINANCE NO. 7182.**



**M. NEW BUSINESS**

*Resolutions*

1. **Res 2022-7** – Committed Fund Reserves for Various Funds (FY22)

*Bills*

2. **Bill 9469** – AN ORDINANCE AN ORDINANCE AUTHORIZING THE CITY OF UNIVERSITY CITY, MISSOURI TO ISSUE ITS TAXABLE INDUSTRIAL REVENUE BONDS (DELMAR BOULEVARD REDEVELOPMENT AREA PROJECT), SERIES 2022, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$90,000,000, FOR THE PURPOSE OF PROVIDING FUNDS TO PAY THE COSTS OF ACQUIRING, CONSTRUCTING AND IMPROVING A FACILITY FOR AN INDUSTRIAL DEVELOPMENT PROJECT IN THE CITY; APPROVING A PLAN FOR THE PROJECT; AND AUTHORIZING THE CITY TO ENTER INTO CERTAIN AGREEMENTS AND TAKE CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH.
3. **Bill 9470** – AN ORDINANCE TO AUTHORIZE THE CITY MANAGER TO EXECUTE A CONTRACT BETWEEN THE CITY OF UNIVERSITY CITY AND THE MISSOURI HIGHWAY AND TRANSPORTATION COMMISSION PROVIDING FOR THE *PERSHING AVE. IMPROVEMENT PROJECT*.
4. **Bill 9471** – AN ORDINANCE AUTHORIZING AMENDMENTS TO THE EMPLOYMENT AGREEMENT BETWEEN THE CITY AND CITY MANAGER GREGORY ROSE.

**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

**O. CITIZEN PARTICIPATON** (continue if needed)

**P. COUNCIL COMMENTS**

**Q. EXECUTIVE SESSION**

Motion to go into a Closed Session according to Missouri Revised Statutes 610.021 (1) Legal actions, causes of action or litigation involving a public governmental body and any confidential or privileged communications between a public governmental body or its representatives or attorneys.

**R. ADJOURMENT**

Posted the 24<sup>th</sup> day of June, 2022  
LaRette Reese  
City Clerk, MRCC

**CITY OF UNIVERSITY CITY COUNCIL MEETING  
AGENDA ITEM**



<b>NUMBER:</b> <i>For City Clerk Use</i>	<b>NB20220627-02</b>
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<b>SUBJECT/TITLE:</b> AN ORDINANCE AUTHORIZING THE CITY OF UNIVERSITY CITY, MISSOURI TO ISSUE ITS TAXABLE INDUSTRIAL REVENUE BONDS (DELMAR BOULEVARD REDEVELOPMENT AREA PROJECT)
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<b>REQUESTED BY:</b> John Wagner	<b>DEPARTMENT / WARD</b> Planning and Development/Ward 1
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<b>AGENDA SECTION:</b> New Business - Bill 9469	<b>CAN ITEM BE RESCHEDULED?</b> yes
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<b>CITY MANAGER'S RECOMMENDATION OR RECOMMENDED MOTION:</b> The City Manager recommends approval.
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<b>FISCAL IMPACT:</b>
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<b>AMOUNT:</b>	<b>ACCOUNT No.:</b>
----------------	---------------------

<b>FROM FUND:</b>	<b>TO FUND:</b>
-------------------	-----------------

<b>EXPLANATION:</b>
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<b>STAFF COMMENTS AND BACKGROUND INFORMATION:</b> The proposed ordinance approves a taxable industrial revenue bond transaction pursuant to Chapter 100, RSMo. (the "Chapter 100 Bonds") in connection with the development of approximately 262 apartments, 1,300 square feet of commercial space and related parking and infrastructure on Delmar Blvd. between McKnight Place and Kingdel Drive (the "Project") by an affiliate of Charles Deutsch & Company (the "Developer"). The Project is currently expected to cost \$87,500,000, inclusive of approximately \$5,000,000 of public infrastructure improvements. The Chapter 100 Bonds have a maximum principal amount of \$90,000,000 to allow for contingencies. SEE ATTACHED STAFF REPORT FOR ADDITIONAL INFORMATION.
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<b>CIP No.</b>
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<b>RELATED ITEMS / ATTACHMENTS:</b> 1. Staff Report - Additional Information 2. Bill No. 9469 with Ordinance Exhibits: Plan for Industrial Development Project and Cost Benefit Analysis (Exhibit A), B (Base Lease), C (Special Warranty Deed), D (Lease Agreement), E (Trust Indenture), F (Bond Purchase Agreement) and G (Development and Performance Agreement) are also attached
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<b>LIST CITY COUNCIL GOALS (S):</b>
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<b>RESPECTFULLY SUBMITTED:</b> City Manager, Gregory Rose	<b>MEETING DATE:</b> June 27, 2022
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## AGENDA ITEM – STAFF REPORT

**MEETING DATE:** June 27, 2022

**DEPARTMENT:** Planning and Development

**AGENDA ITEM TITLE:** AN ORDINANCE AUTHORIZING THE CITY OF UNIVERSITY CITY, MISSOURI TO ISSUE ITS TAXABLE INDUSTRIAL REVENUE BONDS (DELMAR BOULEVARD REDEVELOPMENT AREA PROJECT)

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### **ADDITIONAL BACKGROUND INFORMATION:**

AN ORDINANCE AUTHORIZING THE CITY OF UNIVERSITY CITY, MISSOURI TO ISSUE ITS TAXABLE INDUSTRIAL REVENUE BONDS (DELMAR BOULEVARD REDEVELOPMENT AREA PROJECT), SERIES 2022, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$90,000,000, FOR THE PURPOSE OF PROVIDING FUNDS TO PAY THE COSTS OF ACQUIRING, CONSTRUCTING AND IMPROVING A FACILITY FOR AN INDUSTRIAL DEVELOPMENT PROJECT IN THE CITY; APPROVING A PLAN FOR THE PROJECT; AND AUTHORIZING THE CITY TO ENTER INTO CERTAIN AGREEMENTS AND TAKE CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH.

The Chapter 100 Bond transaction will facilitate (1) a five-year tax abatement on increases in assessed value resulting from the development of the Project (i.e., during this time, taxing districts will continue to receive taxes based on the 2021 assessed value) and (2) a sales and use tax exemption on construction materials purchased for the Project. In accordance with Chapter 100, RSMo., a cost-benefit analysis of these incentives has been prepared and sent to the affected taxing districts (a copy is also attached as Exhibit A to the proposed ordinance). The estimated value of the real property abatement is \$2,185,659 and the estimated value of the sales and use tax exemption is \$1,264,312.

The Chapter 100 Bonds will be issued to the Developer and are special limited obligations payable only from lease revenues paid by the Developer and not from any City tax revenues. The Chapter 100 Bond structure requires the City to take a leasehold interest in the Project during construction and a fee title interest during the tax-abatement period to facilitate the tax incentives. The City will then lease the Project during the construction and tax abatement period to the Developer, who will be responsible for actually constructing and operating the Project (and indemnifying the City against any claims regarding the construction or operation of the Project). At the conclusion of the five-year tax abatement period, title to the Project will be transferred to the Developer.

The Chapter 100 Bond structure is widely used throughout St. Louis County to facilitate tax incentives. A nearby example is "The Oliver" apartment building under construction on Olive Boulevard at the site of the former Olivette City Hall.

INTRODUCED BY: \_\_\_\_\_

DATE: \_\_\_\_\_, 2022

BILL NO. \_\_\_\_\_

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE AUTHORIZING THE CITY OF UNIVERSITY CITY, MISSOURI TO ISSUE ITS TAXABLE INDUSTRIAL REVENUE BONDS (DELMAR BOULEVARD REDEVELOPMENT AREA PROJECT), SERIES 2022, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$90,000,000, FOR THE PURPOSE OF PROVIDING FUNDS TO PAY THE COSTS OF ACQUIRING, CONSTRUCTING AND IMPROVING A FACILITY FOR AN INDUSTRIAL DEVELOPMENT PROJECT IN THE CITY; APPROVING A PLAN FOR THE PROJECT; AND AUTHORIZING THE CITY TO ENTER INTO CERTAIN AGREEMENTS AND TAKE CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH.**

**WHEREAS**, the City of University City, Missouri (the "City"), is authorized and empowered pursuant to the provisions of Article VI, Section 27(b) of the Missouri Constitution and Sections 100.010 through 100.200 of the Revised Statutes of Missouri (collectively, the "Act"), and the City Charter to purchase, construct, extend and improve certain projects (as defined in the Act) and to issue industrial development revenue bonds for the purpose of providing funds to pay the costs of such projects and to lease or otherwise dispose of such projects to private persons or corporations for manufacturing, commercial, office industry, warehousing and industrial development purposes upon such terms and conditions as the City deems advisable; and

**WHEREAS**, in Attorney General Opinion 180-81, the Missouri Attorney General determined that the construction and rental of multi-family apartments for profit is a commercial enterprise; and

**WHEREAS**, a Plan for an Industrial Development Project (the "Plan") has been prepared in the form of **Exhibit A**, attached hereto and incorporated herein by reference; and

**WHEREAS**, notice of the City's consideration of the Plan has been given in the manner required by the Act, and the City Council has fairly and duly considered all comments submitted to the City Council regarding the proposed Plan; and

**WHEREAS**, the City Council hereby finds and determines that it is desirable for the improvement of the economic welfare and development of the City and within the public purposes of the Act that the City: (1) issue its Taxable Industrial Revenue Bonds (Delmar Boulevard Redevelopment Area Project), Series 2022, in the maximum principal amount of \$90,000,000 (the "Bonds"), for the purpose of acquiring certain real property located south of Delmar Boulevard between McKnight Place and Kingdel Drive in the City (the "Project Site," as more fully described in the below-defined Indenture) and constructing a development containing approximately 262 residential apartments, 1,300 square feet of commercial space, and parking and infrastructure thereon (the "Project Improvements," as more fully described in the Indenture, and together with acquisition of the Project Site, the "Project"), (3) lease the Project to an affiliate of Charles Deutsch & Company (said affiliate being referred to herein as the "Developer"); and (4) enter into a Development and Performance Agreement with the Developer, under which the Developer will make certain payments in lieu of taxes and agree to certain additional development terms and conditions in consideration of the City issuing the Bonds; and

**WHEREAS**, the City Council further finds and determines that it is necessary and desirable in connection with the implementation of the Plan and the issuance of the Bonds that the City enter into certain documents and take certain other actions as herein provided.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF UNIVERSITY CITY, MISSOURI, AS FOLLOWS:**

**Section 1. Approval of the Plan.** The City Council hereby approves the Plan set forth as **Exhibit A**, attached hereto and incorporated herein by reference.

**Section 2. Authorization for the Project.** The City is hereby authorized to provide for the purchase and construction of the Project, in the manner and as more particularly described in the Indenture and the Lease Agreement hereinafter authorized.

**Section 3. Authorization of the Bonds.** The City is hereby authorized to issue and sell the Bonds as described in the recitals hereto for the purpose of providing funds to pay the costs of the Project. The Bonds shall be issued and secured pursuant to the Indenture described below and shall have such terms, provisions, covenants and agreements as are set forth in the Indenture.

**Section 4. Limitation on Liability.** The Bonds and the interest thereon shall be limited obligations of the City, payable solely out of certain payments, revenues and receipts derived by the City from the Lease Agreement described below. Such payments, revenues and receipts shall be pledged and assigned to the bond trustee named in the Indenture (the "Trustee"), as security for the payment of the Bonds as provided in the Indenture. The Bonds and the interest thereon shall not constitute general obligations of the City, the State of Missouri (the "State") or any other political subdivision thereof, and neither the City nor the State shall be liable thereon. The Bonds shall not constitute an indebtedness within the meaning of any constitutional, statutory or charter debt limitation or restriction, and are not payable in any manner by taxation.

**Section 5. Authorization of Documents.** The City is hereby authorized to enter into the following documents (collectively, the "City Documents"), in substantially the forms presented to and approved by the City Council and attached to this Ordinance, with such changes therein as shall be approved by the officials of the City executing the City Documents, such officials' signatures thereon being conclusive evidence of their approval thereof:

- (a) Base Lease between the City and the Developer, in substantially the form of **Exhibit B**, attached hereto and incorporated herein by reference, pursuant to which the Developer will lease the Project to the City pursuant to the terms and conditions contained therein.
- (b) One or more Special Warranty Deeds from the Developer, as grantor, to the City, as grantee, in substantially the form of **Exhibit C**, attached hereto and incorporated herein by reference, pursuant to which the Developer will transfer title to the Project to the City following completion of the Project Improvements (or the applicable portion thereof).
- (c) Lease Agreement (the "Lease Agreement") between the City and the Developer, in substantially the form of **Exhibit D**, attached hereto and incorporated herein by reference, pursuant to which the City will lease the Project to the Developer pursuant to the terms and conditions therein, in consideration of rental payments by the Developer that will be sufficient to pay the principal of and interest on the Bonds.

- (d) Trust Indenture (the "Indenture") between the City and the Trustee, in substantially the form of **Exhibit E**, attached hereto and incorporated herein by reference, pursuant to which the Bonds will be issued and the City will pledge the Project and assign certain of the payments, revenues and receipts received pursuant to the Lease Agreement to the Trustee for the benefit and security of the owners of the Bonds upon the terms and conditions as set forth therein.
- (e) Bond Purchase Agreement between the City and the Developer, in substantially the form of **Exhibit F**, attached hereto and incorporated herein by reference, pursuant to which the Developer will purchase the Bonds.
- (f) Development and Performance Agreement (the "Development and Performance Agreement") between the City and the Developer, in substantially the form of **Exhibit G**, attached hereto and incorporated herein by reference, pursuant to which the Developer will make certain payments in lieu of taxes.

**Section 6. Developer Substitution.** Notwithstanding the forms of documents approved in substantially final form pursuant to **Section 5**, at the request of Charles Deutsch & Company, any entity controlled by Charles Deutsch & Company or Charles J. Deutsch or under common control with Charles Deutsch & Company may be inserted as the Developer in the documents approved by **Section 5** prior to execution.

**Section 7. Execution of Documents.** The City Manager is hereby authorized to execute the Bonds and to deliver the Bonds to the Trustee for authentication for and on behalf of and as the act and deed of the City in the manner provided in the Indenture. The City Manager is hereby authorized to execute the City Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance, for and on behalf of and as the act and deed of the City. The City Clerk is hereby authorized to attest to and affix the seal of the City to the Bonds and the City Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance.

**Section 8. Further Authority.** The City shall, and the officials, agents and employees of the City are hereby authorized to, take such further action, and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance and to carry out, comply with and perform the duties of the City with respect to the Bonds and the City Documents. The City Manager is hereby authorized, through the term of the Lease Agreement, to execute all documents on behalf of the City (including documents pertaining to the financing or refinancing of the Project by the Developer) as may be required to carry out and comply with the intent of this Ordinance, the Indenture and the Lease Agreement. The City Manager is further authorized, on behalf of the City, to grant such consents, estoppels and waivers relating to the Bonds, the Indenture, or the Lease Agreement as may be requested during the term thereof; provided, such consents, estoppels and/or waivers shall not increase the principal amount of the Bonds, increase the term of the Lease Agreement or the economic incentives as provided for therein, waive an event of default or materially change the nature of the transaction. The City Clerk is authorized to attest to and affix the seal of the City to any document authorized by this Section.

**Section 9. Severability.** The sections of this Ordinance shall be severable. If any section of this Ordinance is found by a court of competent jurisdiction to be invalid, the remaining sections shall remain valid, unless the court finds that (a) the valid sections are so essential to and inseparably connected with and dependent upon the void section that it cannot be presumed that the City Council has or would have enacted the valid sections without the void ones, and (b) the valid sections, standing alone, are incomplete and are incapable of being executed in accordance with the legislative intent.

**Section 10. Effective Date.** This Ordinance shall be in full force and effect from and after the date of its passage and approval.

**PASSED and ADOPTED THIS \_\_\_ DAY OF \_\_\_\_\_, 2022.**

\_\_\_\_\_  
MAYOR

(Seal)

ATTEST:

\_\_\_\_\_  
CITY CLERK

CERTIFIED TO BE CORRECT AS TO FORM:

\_\_\_\_\_  
CITY ATTORNEY

**EXHIBIT A**

**PLAN FOR AN INDUSTRIAL DEVELOPMENT PROJECT**

(On file in the office of the City Clerk)





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**UNIVERSITY CITY, MISSOURI**

**PLAN FOR AN INDUSTRIAL DEVELOPMENT PROJECT  
AND  
COST-BENEFIT ANALYSIS**

**DELMAR BOULEVARD REDEVELOPMNT AREA PROJECT**

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\* \* \*

## **I. PURPOSE OF THIS PLAN**

University City, Missouri (the "City"), intends to issue taxable industrial revenue bonds in a principal amount not to exceed \$90,000,000 (the "Bonds") to finance the costs of a proposed industrial development project (as further described herein, the "Project") for the benefit of Charles Deutsch & Company (including any affiliate of Charles Deutsch & Company used to implement the Project, the "Developer"). The Bonds will be issued pursuant to the provisions of Sections 100.010 to 100.200 of the Revised Statutes of Missouri ("Chapter 100"), Article VI, Section 27(b) of the Missouri Constitution and the City Charter (collectively with Chapter 100, the "Act"). The Bonds will initially be owned by the Developer and cannot be transferred, other than to the Developer's affiliates and lenders, without the City's prior approval.

Gilmore & Bell, P.C. has prepared this Plan for an Industrial Development Project and Cost-Benefit Analysis (this "Plan") to satisfy requirements of the Act and to analyze the potential costs and benefits, including the related tax impact on all affected taxing jurisdictions, of using industrial revenue bonds to finance the Project and to facilitate the partial abatement of ad valorem real property taxes for the Project and provide a sales and use tax exemption on construction materials used to complete the bond-financed property.

## **II. DESCRIPTION OF CHAPTER 100 FINANCINGS**

**General.** Chapter 100 authorizes cities, counties, towns and villages to issue industrial development revenue bonds to finance the purchase, construction, extension and improvement of warehouses, distribution facilities, research and development facilities, office industries, agricultural processing industries, service facilities that provide interstate commerce, industrial plants, including the real estate either within or without the limits of such municipalities, buildings, fixtures, and machinery. In addition, Article VI, Section 27(b) of the Missouri Constitution authorizes cities, counties, towns and villages to issue revenue bonds for the purpose of paying all or part of the cost of purchasing, constructing, extending or improving any facility for manufacturing, commercial, warehousing and industrial development purposes, including the real estate, buildings, fixtures and machinery. Under Attorney General Opinion 180-81, the Missouri Attorney General determined that the construction and rental of multi-family apartments for profit is a commercial enterprise.

**Issuance and Sale of Bonds.** Revenue bonds issued pursuant to the Act do not require voter approval and are payable solely from revenues received from a lease or other disposition of the project. The municipality issues its bonds and in exchange, the benefited company promises to make payments that are sufficient to pay the principal of and interest on the bonds as they become due. Thus, the municipality merely acts as a conduit for the financing.

Concurrently with the closing of the bonds, the Developer will convey title or lease the site on which the Project will be located to the municipality. (The municipality must be the legal owner of the property while the bonds are outstanding for the property to be eligible for tax abatement, as further described below.) The municipality will immediately lease the project site and the improvements thereon back to the benefited company pursuant to a lease agreement. The lease agreement will require the Developer, acting on behalf of the municipality, to use the bond proceeds to purchase and construct the project.

Under the lease agreement, the Developer typically: (1) unconditionally agrees to make payments sufficient to pay the principal of and interest on the bonds as they become due; (2) agrees, at its own expense, to maintain the project, to pay all taxes and assessments with respect to the project, and to maintain

adequate insurance; (3) may, at its own expense, make certain additions, modifications or improvements to the project; (4) may assign its interests under the lease agreement or sublease the project while remaining responsible for payments under the lease agreement; (5) covenants to maintain its corporate existence during the term of the bond issue; and (6) agrees to indemnify the municipality for certain liability the municipality might incur as a result of its participation in the transaction.

**Property Tax Abatement.** Under Article X, Section 6 of the Missouri Constitution and Section 137.100 of the Revised Statutes of Missouri, all property of any political subdivision is exempt from taxation. In a typical Chapter 100 transaction, the municipality holds fee title to the project and leases the project to the benefited company. Although the Missouri Supreme Court has held that the leasehold interest is taxable, it is taxable only to the extent that the economic value of the lease is less than the actual market value of the lease. See *Iron County v. State Tax Commission*, 437 S.W.2d 665 (Mo. banc 1968) and *St. Louis County v. State Tax Commission*, 406 S.W.2d 644 (Mo. banc 1966). If the rental payments under the lease agreement equal the actual debt service payments on the bonds, the leasehold interest should have no “bonus value” and the bond-financed property should be exempt from ad valorem taxation while the bonds are outstanding.

If the municipality and the company determine that partial tax abatement is desirable, the company may agree to make payments in lieu of taxes (sometimes referred to as “PILOTS”). The amount of payments in lieu of taxes is negotiable. The payments in lieu of taxes are payable by December 31 of each year and are distributed to the municipality and to each political subdivision within the boundaries of the project in the same manner and in the same proportion as property taxes would otherwise be distributed under Missouri law.

**Sales and Use Tax Exemption.** The purpose of this Plan is to provide a sales and use tax exemption on qualified building materials. Under the Act and other applicable state law, qualified building materials can be exempt from sales and use tax if approved by the municipality. The sales and use tax exemption is evidenced by a project exemption certificate issued by the municipality.

### III. DESCRIPTION OF THE PARTIES

**Charles Deutsch & Company.** The Developer is a real estate development company with extensive experience developing and managing multi-family, senior living and other real estate projects. The Developer’s President, Charles J. Deutsch, has over 40 years of development experience in the St. Louis area, including development of The Gatesworth Communities in the City.

**University City, Missouri.** The City is a charter city and political subdivision of the State of Missouri. The City is authorized and empowered pursuant to the provisions of the Act to purchase, construct, extend, equip and improve certain projects (as defined in the Act) and to issue industrial development revenue bonds for the purpose of providing funds to pay the costs of such projects and to lease or otherwise dispose of such projects to private persons or corporations for manufacturing, commercial, warehousing and industrial development purposes upon such terms and conditions as the City deems advisable.

### IV. REQUIREMENTS OF THE ACT

**A. Description of the Project.** The Project consists of acquiring approximately 6.2 acres of real property located south of Delmar Boulevard, between McKnight Place and Kingdel Drive in the City (the “Project Site”) and constructing thereon a development consisting of approximately 262 residential apartments, 1,300 square feet of commercial space, and related parking and infrastructure (collectively, the “Project Improvements” and, together with the acquisition of the Project Site, the “Project”). The Project is expected to be completed by mid-2024.

**B. Estimate of the Costs of the Project.** The acquisition and construction of the Project are expected to cost approximately \$87,500,000. Bonds will be issued in the maximum principal amount of \$90,000,000 to provide for contingencies.

**C. Sources of Funds to be Expended for the Project.** The sources of funds to be expended for the Project will be the proceeds of the Bonds in the maximum principal amount of \$90,000,000 and other available funds of the Developer. The Bonds will be payable solely from the revenues derived by the City from the lease or other disposition of the Project (as further described below). The Bonds will not be an indebtedness or general obligation, debt or liability of the City or the State of Missouri. No tax revenues will be used to repay the Bonds.

**D. Statement of the Terms Upon Which the Project is to be Leased or Otherwise Disposed of by the City.** The Developer will lease the Project to the City during construction. Upon completion of the Project, the Developer will convey title to the City. The City will sublease or lease the Project back to the Developer for lease payments equal to the principal and interest on the Bonds. Under the terms of the lease agreement with the City, the Developer (or applicable affiliate) will have the option to purchase the Project at any time for nominal consideration. Unless terminated sooner by action of the parties, the lease back to the Developer will terminate on December 31 of the fifth calendar year following the year in which title is conveyed to the City. Simultaneously with the termination of the lease, the Developer will have the obligation to purchase fee title to the Project back, thereby making the Project subject to ad valorem taxes.

**E. Affected School District, Community College District, Emergency Service Providers, County and City.** The School District of University City is the school district affected by the Project. The Community College District of St. Louis, St. Louis County, Missouri is the community college district affected by the Project. No fire or ambulance districts are affected by the Project. St. Louis County, Missouri is the county affected by the Project. University City, Missouri is the city affected by the Project. A Cost-Benefit Analysis showing the impact of the proposed ad valorem real property tax abatement and sales and use tax exemption on qualified building materials is included below. The Cost-Benefit Analysis attached hereto identifies all other taxing districts affected by the Project (other than those taxing entities whose tax revenues are affected by the Project solely with respect to the commercial surcharge tax).

**F. Current Assessed Valuation.** The most recent equalized assessed valuation (2021) of the real property included in the Project is \$1,479,200. The Developer estimates that the total equalized assessed valuation of real property included in the Project after construction of the Project Improvements will be approximately \$7,099,063.

**G. Payments in Lieu of Taxes.** In the year that the City acquires title to the Project, the Developer will make payments in lieu of taxes equal to 100% of the ad valorem real property taxes that would otherwise be due on the Project but for the City's interest in the Project. During the next five years, the Developer will make payments in lieu of taxes in amounts based on the then-current ad valorem real property tax rate and an assessed value of \$1,479,200 (i.e., the pre-redevelopment assessed value).

PILOTs are expected to be collected by the St. Louis County Collector in the same manner as real property taxes and disbursed to the respective taxing entities in the same proportion as the then-current ad valorem tax levy of each taxing entity.

**H. Sales and Use Tax Exemption.** Qualified building materials purchased for the construction of the Project Improvements are expected to be exempt from sales and use tax pursuant to the provisions of Section 144.062 of the Revised Statutes of Missouri and the Bond documents upon delivery of a project exemption certificate by the City to the Developer.

**I. Cost-Benefit Analysis and Discussion of Exhibits.** In compliance with Section 100.050.2(3) of the Revised Statutes of Missouri, as amended, this Plan has been prepared to show the costs and benefits to the City and to other taxing jurisdictions affected by the ad valorem real property tax abatement and the sales tax exemption for the Project. The projections in the Cost/Benefit Analysis are estimates based on numerous assumptions set forth in **Attachment A** hereto. Therefore, the actual revenues generated from the Project may be significantly different from those shown in the Cost-Benefit Analysis. The following is a summary of the exhibits attached to this Plan that show the direct tax impact the Project is expected to have on each taxing jurisdiction and key ancillary benefits expected to be derived from the Project. This Plan does not attempt to quantify the overall economic impact of the Project.

*Summary of Property Tax Abatement.* **Exhibit 1** provides a summary for each affected taxing district of (1) the total estimated tax revenues that would be generated on the Project Site if the Project was built and the Project did not receive tax abatement, (2) the total estimated value of the PILOTs to be made by the Developer for the proposed abatement period and (3) the total estimated value of the abatement to the Developer. Please note that the actual value of the Project may differ from the estimated value assumed in this Plan and may impact the value of the abatement realized by the Developer.

*Real Property Tax Revenues.* **Exhibit 2** provides the projected real property tax revenues that would be generated from the Project Site and the Project Improvements without tax abatement. **Exhibit 3** provides the projected value of the real property PILOTs to be made by the Developer. **Exhibit 4** provides the net value of the real property tax abatement after accounting for payment of PILOTs.

Refer to **Attachment A** for the assumptions related to the determination of the assessed values and the tax formulas.

*Sales Tax Exemption on Construction Materials.* **Exhibit 5** provides estimated values of the sales and use taxes exemption on construction materials purchased for the Project Improvements. Key assumptions for these estimated values are also included in **Exhibit 5**.

*Ancillary Project Benefits.* The City believes that the Developer's investment in the Project will create construction jobs during the construction period and spur additional investment and economic activity in the City. Construction of the Project will enhance the aesthetics and vibrancy of the Project Site and surrounding area. These ancillary impacts were not measured for purposes of this Plan.

## **V. ASSUMPTIONS AND BASIS OF PLAN**

This Plan includes assumptions that impact the amount of the abatement and exemptions proposed for the Project. See **Attachment A** and **Exhibit 5** for a summary of these assumptions.

In addition to the foregoing, in order to complete this Plan, Gilmore & Bell, P.C. has generally reviewed and relied upon information furnished by, and has participated in conferences with, representatives of the City, representatives of the Developer, and other persons as the firm has deemed appropriate. Gilmore & Bell, P.C. does not assume any responsibility for the accuracy, completeness or fairness of any of the information provided to us and has not independently verified the accuracy, completeness or fairness of such information.

\* \* \*





**ATTACHMENT A**

**SUMMARY OF KEY ASSUMPTIONS (REAL PROPERTY TAX ABATEMENT)**

1. The Developer will invest approximately \$87,500,000 in the Project.
2. The Developer provided the projections of assessed value shown in the attached exhibits, which assume a 1% increase in each odd-numbered reassessment year.
3. The acquisition and construction of the Project will be complete by the end of 2024.
4. The Project, upon completion, will be owned by the City and leased to the Developer with an option to purchase. As long as the Project is owned by the City, they will be exempt from ad valorem real property taxes.
5. The Project will be excluded from the calculation of ad valorem real property taxes from 2024 through 2029.
6. During the period that the Project is excluded from the calculation of ad valorem real property taxes, the Developer will make the following PILOTs:
  - a. In the year the City obtains title to the Project, PILOTs will equal 100% of the ad valorem real property taxes that would otherwise be due with respect to the Project, but for the City's interest therein.
  - b. In each of the next five years, PILOTs will be based on the then-current ad valorem real property tax rate at the Project Site, a commercial assessed value of \$407,460 and a residential assessed value of \$1,071,740 (i.e., the 2021 assessed value of land and improvements at the Project Site).
7. The tax rates used in this Plan reflect the rates in effect for the tax year 2021. The tax rates were held constant throughout the abatement period.

\* \* \*

The Cost/Benefit Analysis has been prepared on the basis of factual information and assumptions provided to Gilmore & Bell, P.C. by, or on behalf of, the City and the Developer. This information is provided in conjunction with our legal representation of the City, as its bond counsel, for this transaction. It is not intended as financial advice or a financial recommendation to the City, the Developer or any other taxing jurisdiction that may be affected by the Project. Gilmore & Bell, P.C. is not a financial advisor or a "municipal advisor" as defined in the Securities Exchange Act of 1934.

**EXHIBIT 1**

**SUMMARY OF REAL PROPERTY TAX ABATEMENT**

<b>Tax Distribution</b>	<b>Real Property Tax Revenue Without Abatement</b>	<b>Revenue Generated from PILOT Payments</b>	<b>Value of Abatement</b>
State of Missouri	\$ 11,036	\$ 2,219	\$ 8,818
St. Louis County - General	61,039	12,631	48,408
St. Louis County - Health	41,060	8,495	32,566
St. Louis County - Parks	14,780	3,040	11,740
St. Louis County - Bond Retirement	6,990	1,405	5,584
St. Louis County - Road & Bridge	30,695	6,342	24,353
St. Louis Community College	102,528	20,613	81,916
Special School District	373,693	75,129	298,564
Zoo - Museum District	90,315	18,157	72,157
University City Library	128,677	25,784	102,893
Univeristy City School District	1,590,000	326,364	1,263,635
Metropolitan Sewer District	38,296	7,699	30,597
Deer Creek Sewer District	24,522	5,187	19,335
University City	215,423	43,926	171,497
Productive Living Board	26,329	5,516	20,813
Commercial Surcharge	27,418	34,634	(7,216)
	<b>\$ 2,782,801</b>	<b>\$ 597,142</b>	<b>\$ 2,185,659</b>

Note: Commercial Surcharge shows a negative number because the Project is expected to include a substantial increase in residential assessed value, but a small decrease in commercial assessed value.

**EXHIBIT 2**

**PROJECTED REAL PROPERTY TAX REVENUES IF PROJECT IS BUILT (NO ABATEMENT)**

	2025	2026	2027	2028	2029	Total (2025 - 2029)
Residential Assessed Value	\$ 1,071,740	\$ 6,979,063	\$ 6,979,063	\$ 7,048,854	\$ 7,048,854	\$ 7,119,342
Commercial Assessed Value	407,460	320,000	320,000	323,200	323,200	326,432
Total Assessed Value	1,479,200	7,299,063	7,299,063	7,372,054	7,372,054	7,445,774
Base Assessed Value	1,479,200	1,479,200	1,479,200	1,479,200	1,479,200	1,479,200
Incremental Assessed Value	\$ -	\$ 5,819,863	\$ 5,819,863	\$ 5,892,854	\$ 5,892,854	\$ 5,966,574

  

Taxing Jurisdiction	Residential Tax Rate per \$100	Commercial Tax Rate per \$100	Total Tax Rate per \$100	Base Year (2021)	2025	2026	2027	2028	2029	Total
					\$	\$	\$	\$	\$	\$
State of Missouri	0.0300	0.0300	0.0300	444	\$ 2,190	\$ 2,190	\$ 2,212	\$ 2,212	\$ 2,234	\$ 11,036
St. Louis County - General	0.1650	0.1860	0.1860	2,526	12,111	12,111	12,232	12,232	12,354	61,039
St. Louis County - Health	0.1110	0.1250	0.1250	1,699	8,147	8,147	8,228	8,228	8,311	41,060
St. Louis County - Parks	0.0400	0.0440	0.0440	608	2,932	2,932	2,962	2,962	2,991	14,780
St. Louis County - Bond Retirement	0.0190	0.0190	0.0190	281.05	1,387	1,387	1,401	1,401	1,415	6,990
St. Louis County - Road & Bridge	0.0830	0.0930	0.0930	1,268	6,090	6,090	6,151	6,151	6,213	30,695
St. Louis Community College	0.2787	0.2787	0.2787	4,123	20,342	20,342	20,546	20,546	20,751	102,528
Special School District	1.0158	1.0158	1.0158	15,026	74,144	74,144	74,885	74,885	75,634	373,693
Zoo - Museum District	0.2455	0.2455	0.2455	3,631	17,919	17,919	18,098	18,098	18,279	90,315
University City Library	0.3500	0.3450	0.3450	5,157	25,531	25,531	25,786	25,786	26,044	128,677
University City School District	4.3049	4.6963	4.6963	65,273	315,470	315,470	318,625	318,625	321,811	1,590,000
Metropolitan Sewer District	0.1041	0.1041	0.1041	1,540	7,598	7,598	7,674	7,674	7,751	38,296
Deer Creek Sewer District	0.0660	0.0810	0.0810	1,037	4,865	4,865	4,914	4,914	4,963	24,522
University City	0.5840	0.6200	0.6200	8,785	42,742	42,742	43,169	43,169	43,601	215,423
Productive Living Board	0.0710	0.0840	0.0840	1,103	5,224	5,224	5,276	5,276	5,329	26,329
Commercial Surcharge	n/a	1.7000	1.7000	6,927	5,440	5,440	5,494	5,494	5,549	27,418
	7.4680	9.6674	9.6674	119,428	\$ 552,132	\$ 552,132	\$ 557,653	\$ 557,653	\$ 563,230	\$ 2,782,801

**EXHIBIT 3**

**PROJECTED REAL PROPERTY PAYMENTS IN LIEU OF TAXES**

	2025	2026	2027	2028	2029	Total (2025 - 2029)
Residential Assessed Value	\$ 1,071,740	\$ 6,979,063	\$ 7,048,854	\$ 7,048,854	\$ 7,119,342	\$ 32,266,847
Commercial Assessed Value	407,460	320,000	323,200	323,200	326,432	1,719,892
<b>Total Assessed Value</b>	<b>\$ 1,479,200</b>	<b>\$ 7,299,063</b>	<b>\$ 7,372,054</b>	<b>\$ 7,372,054</b>	<b>\$ 7,445,774</b>	<b>\$ 33,986,739</b>
Base Assessed Value	1,479,200	1,479,200	1,479,200	1,479,200	1,479,200	7,445,774
Incremental Assessed Value	\$ -	\$ 5,819,863	\$ 5,892,854	\$ 5,892,854	\$ 5,966,574	\$ 26,540,965

  

Taxing Jurisdiction	Total		Base Year (2021)		Total	
	Residential Tax Rate per \$100	Commercial Tax Rate per \$100	2025	2026	2027	2028
State of Missouri	0.0300	0.0300	444	444	444	444
St. Louis County - General	0.1650	0.1860	2,526	2,526	2,526	2,526
St. Louis County - Health	0.1110	0.1250	1,699	1,699	1,699	1,699
St. Louis County - Parks	0.0400	0.0440	608	608	608	608
St. Louis County - Bond Retirement	0.0190	0.0190	281.05	281.05	281.05	281.05
St. Louis County - Road & Bridge	0.0830	0.0930	1,268	1,268	1,268	1,268
St. Louis Community College	0.2787	0.2787	4,123	4,123	4,123	4,123
Special School District	1.0158	1.0158	15,026	15,026	15,026	15,026
Zoo - Museum District	0.2455	0.2455	3,631	3,631	3,631	3,631
University City Library	0.3500	0.3450	5,157	5,157	5,157	5,157
University City School District	4.3049	4.6963	65,273	65,273	65,273	65,273
Metropolitan Sewer District	0.1041	0.1041	1,540	1,540	1,540	1,540
Deer Creek Sewer District	0.0660	0.0810	1,037	1,037	1,037	1,037
University City	0.5840	0.6200	8,785	8,785	8,785	8,785
Productive Living Board	0.0710	0.0840	1,103	1,103	1,103	1,103
Commercial Surcharge	n/a	1.7000	6,927	6,927	6,927	6,927
<b>Total</b>	<b>7.4680</b>	<b>9.6674</b>	<b>\$ 119,428</b>	<b>\$ 119,428</b>	<b>\$ 119,428</b>	<b>\$ 119,428</b>

**EXHIBIT 4**

**PROJECTED NET VALUE OF REAL PROPERTY TAX ABATEMENT**

Taxing Jurisdiction	Total		2025	2026	2027	2028	2029	Total (2025 - 2029)
	Residential Tax Rate per \$100	Commercial Tax Rate per \$100						
State of Missouri	0.0300	0.0300	\$ 1,746	\$ 1,746	\$ 1,768	\$ 1,768	\$ 1,790	\$ 8,818
St. Louis County - General	0.1650	0.1860	9,584	9,584	9,706	9,706	9,828	48,408
St. Louis County - Health	0.1110	0.1250	6,448	6,448	6,529	6,529	6,612	32,566
St. Louis County - Parks	0.0400	0.0440	2,324	2,324	2,354	2,354	2,383	11,740
St. Louis County - Bond Retirement	0.0190	0.0190	1,106	1,106	1,120	1,120	1,134	5,584
St. Louis County - Road & Bridge	0.0830	0.0930	4,822	4,822	4,883	4,883	4,944	24,353
St. Louis Community College	0.2787	0.2787	16,220	16,220	16,423	16,423	16,629	81,916
Special School District	1.0158	1.0158	59,118	59,118	59,860	59,860	60,608	298,564
Zoo - Museum District	0.2455	0.2455	14,288	14,288	14,467	14,467	14,648	72,157
University City Library	0.3500	0.3450	20,374	20,374	20,629	20,629	20,887	102,893
University City School District	4.3049	4.6963	250,197	250,197	253,352	253,352	256,538	1,263,635
Metropolitan Sewer District	0.1041	0.1041	6,058	6,058	6,134	6,134	6,211	30,597
Deer Creek Sewer District	0.0660	0.0810	3,828	3,828	3,877	3,877	3,926	19,335
University City	0.5840	0.6200	33,957	33,957	34,384	34,384	34,816	171,497
Productive Living Board	0.0710	0.0840	4,121	4,121	4,173	4,173	4,226	20,813
Commercial Surcharge	n/a	1.7000	(1,487)	(1,487)	(1,432)	(1,432)	(1,377)	(7,216)
		7.4680	\$ 432,704	\$ 432,704	\$ 438,225	\$ 438,225	\$ 443,802	\$ 2,185,659

Note: Commercial Surcharge shows a negative number because the Project is expected to include a substantial increase in residential assessed value, but a small decrease in commercial assessed value.

## EXHIBIT 5

### PROJECTED VALUE OF SALES AND USE TAX EXEMPTION AND SUMMARY OF KEY ASSUMPTIONS (PROJECT IMPROVEMENTS)

The City will grant a sales and use tax exemption on the qualified building materials necessary to construct the Project Improvements. For purposes of determining the impact of the sales and use tax exemption on the qualified building materials on the affected taxing jurisdictions granted by the City, certain assumptions have to be made as to the total costs of the building materials and as to the business location of the vendor selling the building materials. The assumptions related to the business locations of the building materials vendors are important as wholly-intrastate sales are subject to state and local sales tax at the tax rate applicable at the vendors' business locations, while interstate sales made by non-Missouri vendors are subject to use tax at the tax rate applicable at the delivery location. It was assumed that:

- \$26,000,000 of the total costs of the Project Improvements will be allocated to construction material costs;
- the applicable sales tax rate is 9.238%, of which 4.225% is allocated to the State of Missouri, 2.513% is allocated to St. Louis County and various countywide taxing districts (i.e., Metrolink, E-911, Children's Services, Zoo and Regional Parks and Trails) and 2.50% is allocated to the City;
- the applicable use tax rate is 5.725%, of which 4.225% is allocated to the State of Missouri and 1.500% is allocated to the City;
- 80% of the qualified construction materials will be subject to the State's sales tax and 20% will be subject to the State's use tax;
- 20% of the qualified construction materials will be subject to the County's and various countywide districts' sales tax; and
- 5% of the qualified construction materials will be subject to the City's sales tax and 20% will be subject to the City's use tax.

Please note that any variance in these assumptions will alter the net fiscal impact of the sales and use tax exemption on the affected taxing jurisdictions.

Based on the assumptions set forth above, the net fiscal impact of the sales and use tax exemption on the qualified building materials granted by the City is approximately \$1,264,312, allocated as follows:

	<u>Sales Tax</u>	<u>Use Tax</u>	<u>Total</u>
State of Missouri	\$878,800	\$219,700	\$1,098,500
County (including all countywide taxing districts) <sup>1</sup>	130,676	0	130,676
City <sup>1</sup>	<u>32,500</u>	<u>2,636</u>	<u>35,136</u>
Total	\$1,041,976	\$222,336	\$1,264,312

<sup>1</sup> County taxes include the 0.5% public safety sales tax, a portion of which will be distributed to the City. City taxes include the 1.0% general sales tax and 0.5% capital improvements sales tax, which are subject to countywide sales tax sharing pools. This analysis does not attempt to quantify the portion of those sales taxes that will ultimately be distributed to the City, the County or other participants in the sales tax sharing pools because the formulas for such distributions rely on variables outside the scope of this Plan, including the overall population of the City relative to the overall population of other participants in the sales tax sharing pools.