

Summary

Board Bill Number 170

Primary Sponsor: Alderman Jeffrey Boyd

December 4, 2020

Overall Purpose/Reasons for the Board Bill

This Board Bill relates to an industrial development project for Saint Paul Properties Fund VII, LLC (the “Company”), an affiliate of Saint Paul Properties, LLC, a real estate investment firm that is active throughout the central United States. The project involves (1) the acquisition and renovation of the existing industrial property located at 5485 Brown Avenue (the “Project”), (2) the issuance of not to exceed \$6,700,000 of industrial revenue bonds in connection with the Project (the “Bonds”), and (3) the provision of 10 years of real property tax abatement and assurance through the implementation of a fixed payment in lieu of tax schedule.

The Bonds will be purchased by the Company and will be special limited obligations of the City payable only from lease revenues paid by the Company ***and not from any City tax revenues***. The Bonds are not “debt” of the City and the City will have no obligation to make any payments on the Bonds if there are insufficient lease revenues.

The Main Components of the Board Bill

The Board Bill (1) approves a Plan for an Industrial Development Project, which is attached as Exhibit A to the Board Bill, as is required by Chapter 100, RSMo. for this type of incentive, and (2) authorizes the issuance of the industrial revenue bonds to facilitate the proposed tax abatement/assurance.

The Impact of the Board Bill to the Community

The Board Bill will incentivize the Company to invest more than \$6 million in acquiring and renovating the site, ensuring that it remains a viable and productive industrial facility. A Cost/Benefit Analysis describing the financial impacts of the tax incentives on the various taxing districts is included in Exhibit A to the Board Bill and will be sent to each of the taxing districts, as required by Chapter 100, RSMo.

BOARD BILL NUMBER 170 INTRODUCED BY: ALDERMAN JEFFREY BOYD

1 An Ordinance recommended by the Board of Estimate and Apportionment authorizing The
2 City of St. Louis, Missouri, to issue its Taxable Industrial Development Revenue Bonds (5485
3 Brown Avenue Project) in one or more series in a total principal amount of not to exceed
4 \$6,700,000 for the purpose of providing funds to pay the costs of acquiring, constructing and
5 improving an industrial development project in the City; approving a plan for such project;
6 authorizing and directing the Mayor and the Comptroller to execute certain documents related
7 thereto; and authorizing and directing the taking of other actions and approval and execution of
8 other documents as are necessary or desirable to carry out and comply with the intent hereof.

9 **WHEREAS**, The City of St. Louis, Missouri, a constitutional charter city and political
10 subdivision of the State of Missouri (the “City”), is authorized and empowered pursuant to the
11 provisions of Article VI, Section 27(b) of the Missouri Constitution, Sections 100.010 through
12 100.200, inclusive, of the Revised Statutes of Missouri, as amended, and its charter (collectively,
13 the “Act”) to purchase, construct, extend and improve certain projects (as defined in the Act) and
14 to issue industrial development revenue bonds for the purpose of providing funds to pay the costs
15 of such projects and to lease or otherwise dispose of such projects to private persons or
16 corporations for manufacturing, commercial, office industry, warehousing and industrial
17 development purposes upon such terms and conditions as the City deems advisable; and

18 **WHEREAS**, the Act requires the City to prepare a plan in connection with any industrial
19 development project undertaken pursuant to the Act; and

20 **WHEREAS**, a Plan for an Industrial Development Project (the “Plan”) has been prepared
21 in the form of **Exhibit A** attached hereto; and

1 **WHEREAS**, notice of the City’s consideration of the Plan has been given in the manner
2 required by the Act, and the Board of Aldermen has fairly and duly considered all comments
3 submitted to the Board of Aldermen regarding the proposed Plan; and

4 **WHEREAS**, the Board of Aldermen hereby finds and determines that it is desirable for
5 the improvement of the economic welfare and development of the City and within the public
6 purposes of the Act that the City: (1) approve the Plan pursuant to the Act, (2) issue its Taxable
7 Industrial Development Revenue Bonds (5485 Brown Avenue Project) in one or more series in a
8 total principal amount not to exceed \$6,700,000 (the “Bonds”) for the purpose of acquiring,
9 constructing and improving an industrial development project (the “Project”) at 5485 Brown
10 Avenue in the City, (3) lease the Project to Saint Paul Properties Fund VII, LLC (including any
11 affiliates or related entities, the “Company”), and (4) enter into one or more performance
12 agreements with the Company, under which the Company will make certain payments to the City
13 in consideration of the City issuing the Bonds; and

14 **WHEREAS**, the Board of Aldermen further finds and determines that it is necessary and
15 desirable in connection with the issuance of the Bonds that the City enter into certain documents
16 and that the City take certain other actions as herein provided;

17 **BE IT ORDAINED BY THE CITY OF ST. LOUIS AS FOLLOWS:**

18 **SECTION ONE.** The Board of Aldermen hereby approves the Plan for an Industrial
19 Development Project attached as **Exhibit A** hereto.

20 **SECTION TWO.** The City is hereby authorized to provide for the acquisition,
21 construction and improvement of the Project, as further described in the Plan.

1 **SECTION THREE.** The City is hereby authorized to issue and sell the Bonds as
2 described in the recitals hereto for the purpose of providing funds to pay the costs of the Project.

3 The Bonds shall:

4 (a) be issued in one or more series, provided that the cumulative maximum
5 principal amount of all series shall not exceed \$6,700,000;

6 (b) be sold initially only to the Company;

7 (c) have an interest rate of no greater than 5.00% per annum; and

8 (d) have a final maturity date no later than the end of the tax abatement period
9 described in the Plan.

10 The Bonds shall be issued and secured pursuant to the Indentures described in Section Five below
11 and shall have such terms, provisions, covenants and agreements as are set forth in the Indentures.

12 **SECTION FOUR.** The Bonds and the interest thereon shall be limited obligations of the
13 City, payable solely out of certain payments, revenues and receipts derived by the City from the
14 Leases described in Section Five below. Such payments, revenues and receipts shall be pledged
15 and assigned to the trustee named in the Indentures (the “Trustee”), as security for the payment of
16 the Bonds as provided in the Indentures. The Bonds and the interest thereon shall not constitute
17 general obligations of the City, the State of Missouri (the “State”) or any political subdivision
18 thereof, and neither the City nor the State shall be liable thereon. The Bonds shall not constitute
19 an indebtedness within the meaning of any constitutional, statutory or charter debt limitation or
20 restriction and are not payable in any manner by taxation.

21 **SECTION FIVE.** In connection with the issuance of the Bonds, the City hereby
22 authorizes the Board of Estimate and Apportionment to approve, on behalf of the City, the

1 following documents (collectively, the “City Documents”), the terms of which shall be consistent
2 with Section Three above and the Plan:

3 (a) one or more Trust Indentures (the “Indentures”) between the City and the
4 Trustee, pursuant to which the applicable series of Bonds will be issued and the City will
5 pledge the applicable portion of the Project and assign certain of the payments, revenues
6 and receipts received pursuant to the applicable Lease to the Trustee for the benefit and
7 security of the owners of the Bonds upon the terms and conditions as set forth in the
8 applicable Indenture;

9 (b) one or more special warranty deeds, base leases or ground leases between
10 the City and the Company, pursuant to which the Company will transfer an interest in the
11 real property associated with the Project to the City;

12 (c) one or more Lease Agreements (the “Leases”) between the City and the
13 Company, pursuant to which the City will lease the applicable portion of the Project to the
14 Company pursuant to the terms and conditions therein, in consideration of rental payments
15 by the Company that will be sufficient to pay the principal of and interest on the
16 corresponding series of Bonds;

17 (d) one or more Bond Purchase Agreements between the City and the
18 Company, pursuant to which the Company will purchase the applicable series of Bonds
19 from the City; and

20 (e) one or more Performance Agreements between the City and the Company,
21 pursuant to which the Company will make certain payments in lieu of taxes in
22 consideration of the issuance of the applicable series of Bonds.

1 The Mayor or her designated representatives and the Comptroller or her designated
2 representatives, with the advice and concurrence of the City Counselor and after approval by the
3 Board of Estimate and Apportionment, are hereby authorized and directed to make any changes to
4 the documents, agreements and instruments approved and authorized by this Ordinance as may be
5 consistent with the intent of this Ordinance and necessary and appropriate in order to carry out the
6 matters herein authorized, with no further action of the Board of Aldermen or the Board of
7 Estimate and Apportionment necessary to authorize such changes made by the Mayor or her
8 designated representatives or the Comptroller or her designated representatives. Such changes
9 may include, but are not limited to, the substitution of an affiliated entity designated by Saint Paul
10 Properties Fund VII, LLC as a party to the applicable City documents. The Mayor and the
11 Comptroller's signatures on the applicable City Documents shall constitute approval of any such
12 change.

13 **SECTION SIX.** The Mayor and the Comptroller are hereby authorized and directed to
14 execute the Bonds and to deliver the Bonds to the Trustee for authentication for and on behalf of
15 and as the act and deed of the City in the manner provided in the Indentures. The Mayor and the
16 Comptroller are hereby authorized and directed to execute the City Documents and such other
17 documents, certificates and instruments as may be necessary or desirable to carry out and comply
18 with the intent of this Ordinance, for and on behalf of and as the act and deed of the City. The
19 City Register is hereby authorized to attest to and affix the seal of the City to the Bonds and the
20 City Documents and such other documents, certificates and instruments as may be necessary or
21 desirable to carry out and comply with the intent of this Ordinance.

22 **SECTION SEVEN.** The City shall, and the officials, agents and employees of the City

1 are hereby authorized to, take such further action, and execute such other documents, certificates
2 and instruments as may be necessary or desirable to carry out and comply with the intent of this
3 Ordinance and to carry out, comply with and perform the duties of the City with respect to the
4 Bonds and the City Documents. The Mayor and the Comptroller are hereby authorized, through
5 the term of the Leases, to execute all documents (including documents pertaining to the transfer of
6 the Project) or take any other actions on behalf of the City as may be required to carry out and
7 comply with the intent of this Ordinance, the Indentures and the Leases.

8 **SECTION EIGHT.** If any section, subsection, sentence, clause, phrase or portion of this
9 Ordinance is held to be invalid or unconstitutional, or unlawful for any reason, by any court of
10 competent jurisdiction, such portion shall be deemed and is hereby declared to be a separate,
11 distinct and independent provision of this Ordinance, and such holding or holdings shall not affect
12 the validity of the remaining portions of this Ordinance.

13 **SECTION NINE.** After adoption of this Ordinance by the Board of Aldermen, this
14 Ordinance shall become effective on the 30th day after its approval by the Mayor or adoption over
15 her veto.

EXHIBIT A

PLAN FOR AN INDUSTRIAL DEVELOPMENT PROJECT

THE CITY OF ST. LOUIS, MISSOURI

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

FOR

SAINT PAUL PROPERTIES FUND VII, LLC

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THE CITY OF ST. LOUIS, MISSOURI

PLAN FOR AN INDUSTRIAL DEVELOPMENT PROJECT
AND
COST/BENEFIT ANALYSIS
SAINT PAUL PROPERTIES FUND VII, LLC

I. PURPOSE OF THIS PLAN

The City of St. Louis, Missouri (the “City”), intends to issue one or more series of taxable industrial revenue bonds in a cumulative principal amount of not to exceed \$6,700,000 (the “Bonds”) to finance the costs of a proposed industrial development project (the “Project”) for Saint Paul Properties Fund VII, LLC (including its affiliates, the “Company”). The Bonds will be issued pursuant to the provisions of Sections 100.010 to 100.200 of the Revised Statutes of Missouri, as amended, Article VI, Section 27(b) of the Missouri Constitution and the City Charter (collectively, the “Act”). The Bonds will initially be owned by the Company and cannot be transferred, other than to the Company’s affiliates and lenders, without the City’s prior approval.

This Plan for an Industrial Development Project and Cost/Benefit Analysis (this “Plan”) has been prepared to satisfy requirements of the Act and to analyze the potential costs and benefits, including the related tax impact on affected taxing jurisdictions, of using industrial development bonds to finance the Project and to facilitate abatement of ad valorem taxes on the bond-financed property.

II. DESCRIPTION OF CHAPTER 100 FINANCINGS

General. The Act authorizes cities, counties, towns and villages to issue industrial development 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 and other commercial facilities. Bond proceeds may be used to finance land, buildings, fixtures and machinery.

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 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 company will convey to the municipality title to the site on which the industrial development project will be located. (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.) At the same time, the municipality will lease the project site and the improvements thereon back to the benefited company pursuant to a lease agreement. The lease agreement will require the company, acting on behalf of the municipality, to use the bond proceeds to purchase and construct the project.

Under the lease agreement, the company typically: (1) will unconditionally agree to make payments sufficient to pay the principal of and interest on the bonds as they become due; (2) will agree, 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) has the right, at its own expense, to 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) will covenant to maintain its

corporate existence during the term of the bond issue; and (6) will agree to indemnify the municipality for any 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, as amended, all property of any political subdivision is exempt from taxation. In a typical 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 so long as 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.” 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.

III. DESCRIPTION OF THE PARTIES

Saint Paul Properties Fund VII, LLC. The Company is a limited liability company organized and existing under the laws of the State of Minnesota. The Company is an affiliate of Saint Paul Properties, LLC (“Saint Paul Properties”), a real estate investment firm focused on asset acquisition, including multi-family properties and commercial properties, throughout the central United States. More information regarding Saint Paul Properties can be found at <https://www.saintpaulpropertiesmanagement.com/>.

The City of St. Louis, Missouri. The City is a charter city and a political subdivision of the State of Missouri. The City is authorized and empowered pursuant to the provisions of the Act 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, 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 certain real property located at 5485 Brown Avenue in the City (the “Project Site”) and renovating the building thereon (the “Project Improvements”) and, together with the acquisition of the Project Site, the “Project”). The Company will sublease the Project to various tenants for warehousing, logistics and industrial uses. The acquisition and renovation of the Project is expected to be complete by December 31, 2021. The City will acquire the Project with the Bond proceeds and will lease the Project to the Company.

B. Estimate of the Costs of the Project. The Project is estimated to cost approximately \$6,210,000, consisting of approximately \$5,850,000 for the Project Site and approximately \$360,000 for the Project Improvements. The Bonds will be issued in the maximum principal amount of \$6,700,000 to provide for contingencies.

C. Source of Funds to be Expended for the Project. The source of funds to be expended for the Project will be the proceeds of one or more series of Bonds in the cumulative maximum principal

amount of \$6,700,000 and other available funds of the Company. The Bonds will be payable solely from the revenues derived by the City from the lease or other disposition of the Project to the Company (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.

D. *Statement of the Terms Upon Which the Project is to be Leased or Otherwise Disposed of by the City.* The City will lease the Project to the Company for lease payments equal to the principal of and interest on the Bonds. Under the terms of the lease agreement with the City, the Company will have the option to purchase the Project at any time for nominal consideration. The lease will terminate no later than December 31 of the tenth year in which tax abatement is realized (currently estimated to be 2030, but subject to change depending on when the Project Improvements are completed).

E. *Affected School District, Community College District, Ambulance District, Fire District, County and City.* The St. Louis Public School District 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 ambulance districts or fire districts are affected by the Project. The City of St. Louis is the city affected by the Project. Because the City is not located within a county, no county is affected by the Project. The Cost/Benefit Analysis attached hereto identifies all other taxing districts affected by the Project.

F. *Current Assessed Valuation.* The Project has a current assessed valuation of \$903,200. After completion of the Project Improvements, the Project is expected to have an assessed valuation of \$1,654,400.

G. *Payments in Lieu of Taxes.* If this Plan is approved by the Board of Aldermen, the City intends to issue one or more series of the Bonds, take possession of the Project and extend real property tax abatement to the Company. During the period the City owns the Project, the Company will make fixed payments in lieu of taxes (“PILOTs”) pursuant to the schedule included in **Attachment A** hereto.

The PILOTs will be divided among the taxing districts that levy real property taxes on the Project.

H. *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 the other taxing jurisdictions affected by the tax abatement of the Project. 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. This Plan does not attempt to quantify the overall economic impact of the Project.

Summary of Cost/Benefit Analysis. **Exhibit 1** presents a summary for each affected taxing district of (1) the total estimated tax revenues that would be generated if the Project did not receive tax abatement, (2) the total estimated value of the PILOTs to be made by the Company for the proposed abatement period and (3) the total estimated value of the abatement to the Company. 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 to the Company.

Real Property Tax Revenues. **Exhibit 2** provides the projected tax revenues that would be generated from the Project without tax abatement. **Exhibit 3** provides the projected value of the PILOTs to be made by the Company.

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

Ancillary Project Benefits. The Company believes that the completion of the Project will assist in stabilizing the immediate area and could encourage redevelopment of neighboring properties. The impact of such benefits have not been estimated as part of the Cost/Benefit Analysis.

V. ASSUMPTIONS AND BASIS OF PLAN

In preparing this Plan, we have made some key assumptions to estimate the fiscal impact of the abatement proposed for the Project. See **Attachment A** for a summary of these assumptions.

In addition to the foregoing, in order to complete this Plan, we have generally reviewed and relied upon information furnished to us by, and have participated in conferences with, representatives of the City, representatives of the Company and its consultants, and other persons as we have deemed appropriate. We do not assume any responsibility for the accuracy, completeness or fairness of any of the information provided to us; we have not independently verified the accuracy, completeness or fairness of such information.

* * *

ATTACHMENT A

SUMMARY OF KEY ASSUMPTIONS

1. The Project will be owned by the City and leased to the Company with an option to purchase. As long as the Project is owned by the City, it will be exempt from ad valorem taxes.

2. The Company will invest approximately \$6,210,000 in acquiring the Project Site and completing the Project Improvements. The Project would, but for the City's ownership thereof, be subject to ad valorem real property taxes beginning in 2021.

3. After completion of the Project, the Project is expected to have an assessed valuation of \$1,654,400.

4. The assessed valuation of the Project will increase at an annualized rate of 2% per year; however, the Project will only be re-assessed on odd-numbered years.

5. The City will transfer ownership of the Project to the Company by December 31, 2030. During the period that the City owns the Project, the Company will make the following fixed PILOTs:

<u>Abatement Year</u>	<u>Expected Calendar Year</u>	<u>PILOT Payment¹</u>
1	2021	\$ 93,282
2	2022	93,282
3	2023	109,836
4	2024	109,836
5	2025	129,162
6	2026	129,162
7	2027	151,426
8	2028	151,426
9	2029	176,806
10	2030	176,806

6. The Cost/Benefit analysis relies on 2020 tax rates, which are assumed to remain constant through 2030.

* * *

¹ The PILOT Payments are fixed during the 10-year abatement term and will not vary based on changes in tax rates or assessed value from year to year.

EXHIBIT 1**SUMMARY OF COST/BENEFIT ANALYSIS**

Tax Distribution	Tax Rate	Tax Revenue for Real Property Without Abatement	Revenue Generated from PILOT Payments	Value of Abatement
State of Missouri	0.0300	\$ 5,381	\$ 4,032	\$ 1,349
City of St. Louis	1.5896	285,108	213,617	71,491
St. Louis Public School District	5.0126	899,053	673,614	225,438
St. Louis Community College	0.1987	35,639	26,702	8,936
Metropolitan Sewer District	0.1078	19,335	14,487	4,848
Sheltered Workshop	0.1341	24,052	18,021	6,031
Mental Health	0.0872	15,640	11,718	3,922
Community Children's Service Fund	0.1843	33,056	24,767	8,289
Senior Services	0.0488	8,753	6,558	2,195
Zoo & Museum District	0.2532	45,414	34,026	11,387
Library	0.5439	97,553	73,092	24,462
Commercial Sur Tax	1.6400	294,148	220,390	73,758
	9.8302	\$ 1,763,131	\$ 1,321,024	\$ 442,107

EXHIBIT 2

PROJECTED REAL PROPERTY TAX REVENUES WITHOUT ABATEMENT

Estimated Assessed Value of Project Site with
Project Improvements

\$1,654,400 \$1,654,400 \$1,721,238 \$1,721,238 \$1,790,776 \$1,790,776 \$1,863,123 \$1,863,123 \$1,938,393 \$1,938,393

Taxing Jurisdiction	Tax Rate per \$100	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
State of Missouri	0.0300	\$ 496	\$ 496	\$ 516	\$ 516	\$ 537	\$ 537	\$ 559	\$ 559	\$ 582	\$ 582	\$ 5,381
City of St. Louis	1.5896	26,298	26,298	27,361	27,361	28,466	28,466	29,616	29,616	30,813	30,813	285,108
St. Louis Public School District	5.0126	82,928	82,928	86,279	86,279	89,764	89,764	93,391	93,391	97,164	97,164	899,053
St. Louis Community College	0.1987	3,287	3,287	3,420	3,420	3,558	3,558	3,702	3,702	3,852	3,852	35,639
Metropolitan Sewer District	0.1078	1,783	1,783	1,855	1,855	1,930	1,930	2,008	2,008	2,090	2,090	19,335
Sheltered Workshop	0.1341	2,219	2,219	2,308	2,308	2,401	2,401	2,498	2,498	2,599	2,599	24,052
Mental Health	0.0872	1,443	1,443	1,501	1,501	1,562	1,562	1,625	1,625	1,690	1,690	15,640
Community Children's Service Fund	0.1843	3,049	3,049	3,172	3,172	3,300	3,300	3,434	3,434	3,572	3,572	33,056
Senior Services	0.0488	807	807	840	840	874	874	909	909	946	946	8,753
Zoo & Museum District	0.2532	4,189	4,189	4,358	4,358	4,534	4,534	4,717	4,717	4,908	4,908	45,414
Library	0.5439	8,998	8,998	9,362	9,362	9,740	9,740	10,134	10,134	10,543	10,543	97,553
Commercial Sur Tax	1.6400	27,132	27,132	28,228	28,228	29,369	29,369	30,555	30,555	31,790	31,790	294,148
	9.8302	\$ 162,631	\$ 162,631	\$ 169,201	\$ 169,201	\$ 176,037	\$ 176,037	\$ 183,149	\$ 183,149	\$ 190,548	\$ 190,548	\$1,763,131

EXHIBIT 3

PROJECTED PAYMENTS IN LIEU OF TAXES (REAL PROPERTY)

Estimated Assessed Value of Project Site with Project Improvements	\$ 1,654,400	\$ 1,654,400	\$ 1,721,238	\$ 1,721,238	\$ 1,790,776	\$ 1,790,776	\$ 1,863,123	\$ 1,863,123	\$ 1,938,393	\$ 1,938,393
PILOT Payment	\$ 93,282	\$ 93,282	\$ 109,836	\$ 109,836	\$ 129,162	\$ 129,162	\$ 151,426	\$ 151,426	\$ 176,806	\$ 176,806

Taxing Jurisdiction	Tax Rate per \$100	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
State of Missouri	0.0300	\$ 285	\$ 285	\$ 335	\$ 335	\$ 394	\$ 394	\$ 462	\$ 462	\$ 540	\$ 540	\$ 4,032
City of St. Louis	1.5896	15,084	15,084	17,761	17,761	20,886	20,886	24,486	24,486	28,591	28,591	213,617
St. Louis Public School District	5.0126	47,566	47,566	56,007	56,007	65,862	65,862	77,215	77,215	90,157	90,157	673,614
St. Louis Community College	0.1987	1,886	1,886	2,220	2,220	2,611	2,611	3,061	3,061	3,574	3,574	26,702
Metropolitan Sewer District	0.1078	1,023	1,023	1,204	1,204	1,416	1,416	1,661	1,661	1,939	1,939	14,487
Sheltered Workshop	0.1341	1,273	1,273	1,498	1,498	1,762	1,762	2,066	2,066	2,412	2,412	18,021
Mental Health	0.0872	827	827	974	974	1,146	1,146	1,343	1,343	1,568	1,568	11,718
Community Children's Service Fund	0.1843	1,749	1,749	2,059	2,059	2,422	2,422	2,839	2,839	3,315	3,315	24,767
Senior Services	0.0488	463	463	545	545	641	641	752	752	878	878	6,558
Zoo & Museum District	0.2532	2,403	2,403	2,829	2,829	3,327	3,327	3,900	3,900	4,554	4,554	34,026
Library	0.5439	5,161	5,161	6,077	6,077	7,146	7,146	8,378	8,378	9,783	9,783	73,092
Commercial Sur Tax	1.6400	15,562	15,562	18,324	18,324	21,548	21,548	25,263	25,263	29,497	29,497	220,390
	9.8302	\$ 93,282	\$ 93,282	\$ 109,836	\$ 109,836	\$ 129,162	\$ 129,162	\$ 151,426	\$ 151,426	\$ 176,806	\$ 176,806	\$ 1,321,024

BOARD BILL NUMBER 170

FISCAL NOTE

Preparer's Name: St. Louis Development Corporation staff

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Bill Sponsor: Alderman Jeffrey Boyd

Bill Synopsis:	<p>This Board Bill relates to an industrial development project for Saint Paul Properties Fund VII, LLC (the "Company"), an affiliate of Saint Paul Properties, LLC, a real estate investment firm that is active throughout the central United States. The project involves (1) the acquisition and renovation of the existing industrial property located at 5485 Brown Avenue (the "Project"), (2) the issuance of not to exceed \$6,700,000 of industrial revenue bonds in connection with the Project (the "Bonds"), and (3) the provision of 10 years of real property tax abatement and assurance through the implementation of a fixed payment in lieu of tax schedule.</p> <p>The Bonds will be purchased by the Company and will be special limited obligations of the City payable only from lease revenues paid by the Company <i>and not from any City tax revenues</i>. The Bonds are not "debt" of the City and the City will have no obligation to make any payments on the Bonds if there are insufficient lease revenues.</p>
Type of Impact:	<p>Pursuant to the requirements of Chapter 100, RSMo., a cost-benefit analysis showing the impact of the proposed tax abatement/assurance on the City and other taxing district has been prepared and provided to all affected taxing districts (and is included in <u>Exhibit A</u> to the Board Bill).</p>
Agencies Affected:	<p>Issuance of the Bonds will require approval of bond documents by the Board of Estimate and Apportionment and administration of the tax abatement incentives by the Assessor, License Collector, Collector of Revenue and St. Louis Development Corporation.</p>

SECTION A

Does this bill authorize:

- An expansion of services which entails additional costs beyond that approved in the current adopted city budget? Yes No.
- An undertaking of a new service for which no funding is provided in the current adopted city budget? Yes No.
- A commitment of city funding in the future under certain specified conditions? Yes No.
- An issuance of bonds, notes and lease-purchase agreements which may require additional funding beyond that approved in the current adopted city budget? Yes No.

*Although the Board Bill authorizes the issuance of Bonds, the Bonds are secured by and solely payable from lease revenues paid by the Company. **No City tax revenues will be used to pay the Bonds.***

- An execution or initiation of an activity as a result of federal or state mandates or requirements? Yes No.
- A capital improvement project that increases operating costs over the current adopted city budget? Yes No.
- A capital improvement project that requires funding not approved in the current adopted city budget or that will require funding in future years? Yes No.

If the answer is yes to any of the above questions, then a fiscal note must be attached to the board bill. Complete Section B of the form below.

SLDC will provide its financial analysis of the project under separate cover

SECTION B

- Does the bill require the construction of any new physical facilities? ____Yes ____No.

- If yes, describe the facilities and provide the estimated cost:

- Is the bill estimated to have a direct fiscal impact on any city department or office? ____Yes ____No.

- If yes, explain the impact and the estimated cost:

- Does the bill create a program or administrative subdivision? ____Yes ____No.

- If yes, then is there a similar existing program or administrative subdivision? ____Yes ____No.

- If yes, explain the how the proposed programs or administrative subdivisions may overlap:

- Describe the annual operating, equipment, and maintenance costs that would result from the proposed bill, as well as any funding sources:

Complete the chart below to list the total estimated expenditures required of the City resulting from the proposed board bill and any estimated savings or additional revenue.

Financial Estimate of Impact on General Fund			
Fiscal Impact	<u>Year 1 (current)</u>	<u>Year 2</u>	<u>Year 3</u>
Additional Expenditures			
Additional Revenue			
Net			
Financial Estimate of Impact on Special Funds			
Fiscal Impact	<u>Year 1 (current)</u>	<u>Year 2</u>	<u>Year 3</u>
Additional Expenditures			

Additional Revenue			
Net			

- Describe any assumptions used in preparing this fiscal note:

- List any sources of information (including any City officials, agencies, or departments) used in preparing this fiscal note:

- Have the financial estimates of this bill been verified by the City Budget Division?
 Yes No.

If yes, by whom? _____ .