

# BOARD BILL NUMBER 125

## FISCAL NOTE

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Bill Sponsor Alderman Vollmer

<b>Bill Synopsis:</b>	This Board Bill seeks to approve a Chapter 99 Redevelopment Plan and Blighting Study for the 4914 Daggett Ave. Redevelopment Area. This Board Bill will allow a 10-year tax abatement @ 95%.; renovation of a commercial building will occur.
<b>Type of Impact:</b>	None this year. Scorecard presented to LCRA on September 22, 2020 is attached.
<b>Agencies Affected:</b>	None

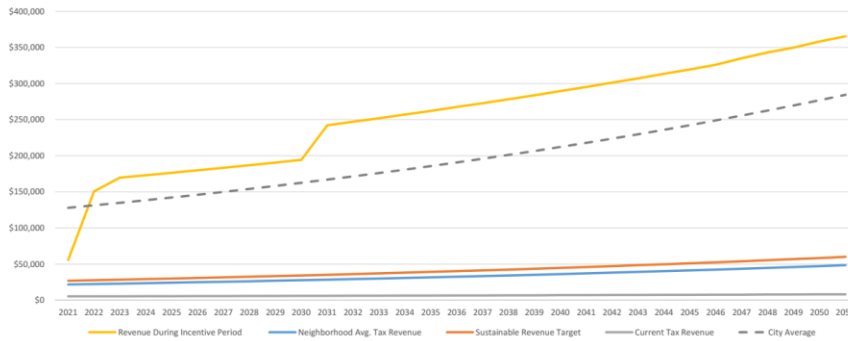
### SECTION A

#### Does this bill authorize:

- An expansion of services which entails additional costs beyond that approved in the current adopted city budget? \_\_\_Yes \_\_X\_\_No.
- An undertaking of a new service for which no funding is provided in the current adopted city budget? \_\_\_Yes \_\_X\_\_No.
- A commitment of city funding in the future under certain specified conditions? \_\_\_Yes \_\_X\_\_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 \_\_X\_\_No.
- An execution or initiation of an activity as a result of federal or state mandates or requirements? \_\_\_Yes \_\_X\_\_No.
- A capital improvement project that increases operating costs over the current adopted city budget? \_\_\_Yes \_\_X\_\_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.

**King's Hill Project Financial Impact Report**



**Incentive Summary**

<b>TIF</b>	
TIF Utilized	0
Value of TIF Request	\$0
<b>Tax Abatement</b>	
Abatement Utilized	Yes
Tax Abatement Type	Ch. 99
How many Years of Tax Abatement?	10
Percentage of Abatement Years 1-5	95%
Percentage of Abatement Years 6-10	95%
Percentage of Abatement Years 11-15	0%
Percentage of Abatement Years 16-20	0%
Percentage of Abatement Years 21-25	0%
<b>Tax Assurance</b>	
Tax Assurance Utilized	No
Start Year	
Length (in Years)	
Growth Rate	
<b>New CID/TDD</b>	
New Sales Tax CID?	0
New CID Percentage	0.00%
New Sales Tax TDD?	0
New TDD Percentage	0.00%
New Property Tax CID/TDD Assessment	No
Applies to % subject to the special assessment	

**Break-Even Analysis**

	Year of Operation
Neighborhood Average Break-even*	1
Sustainable Revenue Target Achieved	1
Replacement Project Window	1
TIF Payoff Year	N/A

\* Year accumulated tax benefits of the incentivized project surpasses those of an average un-incentivized project in the neighborhood

<b>Fiscal Benefit</b>	10-year	20-year
<i>Benefit Over Base (if no project)</i>		
Fiscal Benefit to City	\$1,513,000	\$3,180,000
Fiscal Benefit to School District	\$85,000	\$1,239,000
<i>Benefit Over Neighborhood Average</i>		
Fiscal Advantage to City	\$1,296,000	\$2,848,000
Fiscal Advantage to School District	\$73,000	\$1,110,000
<i>Incentive Value to Project</i>		
Present Value of Incentive	\$1,468,000	\$1,468,000
% of Project Costs	12.1%	12.1%

<b>Property Status</b>	
MVA Category	A
Existing and/or Historical	No
Strategic Land Use Plan Category	BIPA

**Tax Performance (per SF of parcel area)**

	Stabilization	Year 5	Year 10
<b>King's Hill Project</b>	<b>\$1.86</b>	<b>\$2.01</b>	<b>\$2.71</b>
Neighborhood Average	0.29	0.33	0.38
Sustainable Revenue Target	0.35	0.40	0.47

**Developer Return Analysis**

Market Average Rate of Return (RERC)	Low End of Range	High End of Range
King's Hill Project	7.4%	10.1%
Neighborhood Average	No Incentives	w/ Incentives
Project 10-Year Rate of Return	5.7%	5.7%

**Project Score**

	Score
Value Score	19.0
Tax Revenue Score	19.0
Incrementing Score	1.2
Total Score	39.2/40
<b>Project Grade</b>	<b>4.75/5</b>

**Sources and Uses Summary**

<b>Project Financing</b>	Amount
Federal Historic Tax Credits	\$ -
State Historic Tax Credits	\$ -
State Brownfields Tax Credits	\$ -
New Market Tax Credits	\$ -
Local Incentive Amount (TIF, etc.)	\$ -
Monetized CID/TDD Values	\$ -
Primary Debt	\$ -
Secondary Debt	\$ 7,500,000.00
Developer/Investor Equity	\$ -
Deferred Developer Fee	\$ 4,170,000.00
Other	\$ 466,800.00
<b>Total Project Sources--Permanent</b>	<b>\$12,136,800</b>
<b>Uses of Funds</b>	
Acquisition	\$ 2,000,000.00
Hard Costs (Construction)	\$ 8,050,000.00
Soft Costs	\$ 600,000.00
Financing Costs	\$ 1,020,000.00
Reserves	\$ -
Developer Fee	\$ 466,800.00
Other	\$ -
<b>Total Project Uses</b>	<b>\$12,136,800</b>