

BOARD BILL NUMBER 31

FISCAL NOTE

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Bill Sponsor Alderman Joseph Roddy

Bill Synopsis:	This Board Bill seeks to approve a Chapter 99 Redevelopment Plan and Blighting Study for the 1417-1433 Tower Grove Ave. Redevelopment Area. This Board Bill will allow 1417-1433 Tower Grove Ave. to have 5-year tax abatement based on 75% of the assessed value of the incremental improvements.
Type of Impact:	None this year. Attached is the scorecard presented at the LCRA meeting on January 21, 2020
Agencies Affected:	None

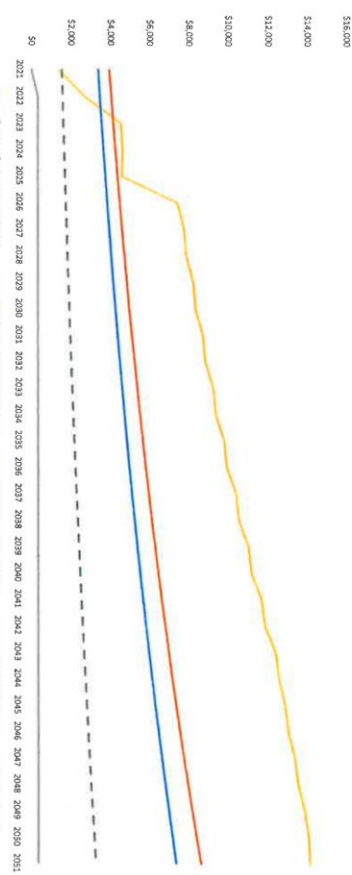
SECTION A

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.

1417-33 Tower Grove Ave Financial Impact Report



Break-Even Analysis

Year of Operation	4	1
Neighborhood Average Break-even*	4	1
Sustainable Revenue Target Achieved	N/A	N/A
Developer Project Window	N/A	N/A
TFE Assessment Tax Benefit of the Incentivized Project Compared to Year 10	N/A	N/A

* Year associated with benefit of the incentivized project compared to those of an average unincentivized project in the neighborhood

Year of Operation	Year 5	Year 10
Neighborhood Average Break-even*	\$0.60	\$1.04
Neighborhood Average	0.53	0.61
Sustainable Revenue Target	0.62	0.71
Current Tax Revenue	0.71	0.83

Fiscal Benefit

	10-year	20-year
Brackets Over Rate (for project)	\$51,000	\$113,000
Fiscal Benefit to City	\$72,000	\$186,000
Brackets Over Neighborhood Average	\$19,000	\$53,000
Fiscal Advantage to School District	\$21,000	\$97,000
Incremental Value to Project	\$63,000	\$63,000
Present Value of Incentive	4.0%	4.0%
% of Project Costs		

Incremental Value to Project

Market Average Rate of Return (MARR)	Low End of Range	High End of Range
6.1%	6.1%	9.1%
No Incentive	6.3%	6.6%

Developer Return Analysis

Market Average Rate of Return (MARR)	Low End of Range	High End of Range
6.1%	6.1%	9.1%
No Incentive	6.3%	6.6%

Market Average Rate of Return (MARR)

Value Score	Score
17.1	17.1
17.8	17.8
2.0	2.0
38.9/40	38.9/40
4.5/5	4.5/5

Project Score

Value Score	Score
17.1	17.1
17.8	17.8
2.0	2.0
38.9/40	38.9/40
4.5/5	4.5/5

Value Score

Value Score	Score
17.1	17.1
17.8	17.8
2.0	2.0
38.9/40	38.9/40
4.5/5	4.5/5

Property Status

MMA Category	A
Existing and/or Historical Strategic Land Use Plan Category	V/N N/A

Incentive Summary

TFE Utilized	No
Value of TFE Request	\$0
Tax Abatement	Yes
Abatement Utilized	Yes
Abatement Type	On, 99
Percentage of Abatement	75%
Percentage of Abatement Years 1-5	0%
Percentage of Abatement Years 6-10	0%
Percentage of Abatement Years 11-15	0%
Percentage of Abatement Years 16-20	0%
Percentage of Abatement Years 21-25	0%
Tax Assessor	No
Length (in Years)	No
Growth Rate	No
New CD/TDD	No
New Sales Tax CD7	No
New CD Percentage	No
New CD Tax TDD7	No
New CD Tax TDD7	No
New Property Tax CD/TDD Assessment	No
Applies to the special assessment	No

Sources and Uses Summary

Project Financing	Amount
Federal Historic Tax Credits	\$
State Historic Tax Credits	
State Brownfields Tax Credits	
New Market Tax Credits	
Non-Reserve Reserve (TR, etc.)	
Market CD/TDD Values	1,187,232
Primary Debt	
Secondary Debt	
Developer/Investor Equity	389,111
Deferred Developer Fee	
Other	
Total Project Sources-Permanent	\$1,556,442
Uses of Funds	
Acquisition	432,600
Hard Costs (Construction)	893,000
Soft Costs	24,197
Financing Costs	38,925
Reserve	
Developer Fee	65,320
Other	
Total Project Uses	\$1,556,442