

BOARD BILL NUMBER 32

FISCAL NOTE

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Bill Sponsor Alderwoman Davis

Bill Synopsis:	This Board Bill seeks to approve a Chapter 99 Redevelopment Plan and Blighting Study for the 1800-1808 Washington Blvd. Redevelopment Area. This Board Bill will allow ten (10) years of tax abatement (five (5) years of tax abatement based on 90% of the assessed value of the incremental improvements followed by five (5) years of tax abatement based on 85% of the assessed value of the incremental improvements); renovation of a commercial building into 72 residential units will occur.
Type of Impact:	None this year. Estimated Fiscal Impact of Tax Abatement on Affected Taxing Jurisdictions is Attached
Agencies Affected:	None

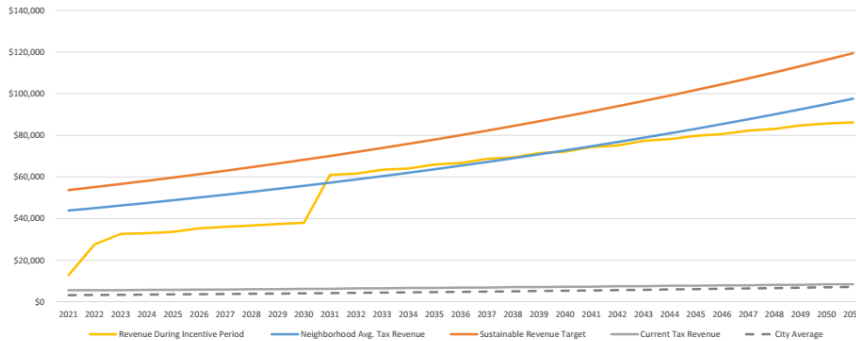
SECTION A

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 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.

MacDonald Building Lofts Financial Impact Report



Incentive Summary

TIF Utilized	0
Value of TIF Request	\$0
Tax Abatement	
Abatement Utilized	Yes
Tax Abatement Type	Ch. 99
How many Years of Tax Abatement?	10
Percentage of Abatement Years 1-5	90%
Percentage of Abatement Years 6-10	85%
Percentage of Abatement Years 11-15	0%
Percentage of Abatement Years 16-20	0%
Percentage of Abatement Years 21-25	0%
Tax Assurance	
Tax Assurance Utilized	No
Start Year	
Length (in Years)	
Growth Rate	
New CID/TDD	
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*	#N/A	
Sustainable Revenue Target Achieved	Not Achieved	
Replacement Project Window	5	
TIF Payoff Year	N/A	

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

	10-year	20-year
Fiscal Benefit		
Benefit Over Base (If no project)		
Fiscal Benefit to City	\$262,000	\$646,000
Fiscal Benefit to School District	\$27,000	\$548,000
Benefit Over Neighborhood Average		
Fiscal Advantage to City	(\$216,000)	(\$111,000)
Fiscal Advantage to School District	(\$22,000)	(\$94,000)
Incentive Value to Project		
Present Value of Incentive	\$597,000	\$597,000
% of Project Costs	3.8%	3.8%

Property Status

MVA Category	B
Existing and/or Historical	Yes
Strategic Land Use Plan Category	SMUA

Tax Performance (per SF of parcel area)

	Stabilization	Year 5	Year 10
MacDonald Building Lofts	\$2.85	\$2.27	\$3.87
Neighborhood Average	3.23	3.75	4.34
Sustainable Revenue Target	3.95	4.58	5.31

Developer Return Analysis

Market Average Rate of Return (RERC)	Low End of Range	High End of Range
	6.1%	9.1%
Project 10-Year Rate of Return	No Incentives	w/ Incentives
	4.5%	5.1%

Project Score

	Score
Value Score	10.6
Tax Revenue Score	15.4
Increment Score	2.0
Total Score	2840
Project Grade	3.5/5

Sources and Uses Summary

	Amount
Project Financing	
Federal Historic Tax Credits	\$ 2,093,909.00
State Historic Tax Credits	\$ 2,463,423.00
State Brownfields Tax Credits	\$ -
New Market Tax Credits	\$ -
Local Incentive Amount (TIF, etc.)	\$ -
Monetized CID/TDD Values	\$ -
Primary Debt	\$ -
Secondary Debt	\$ 5,938,292.00
Developer/Investor Equity	\$ -
Deferred Developer Fee	\$ -
Other	\$ 5,248,685.00
Total Project Sources-Permanent	\$15,744,309
Uses of Funds	
Acquisition	\$ 2,200,000.00
Hard Costs (Construction)	\$ 11,919,088.00
Soft Costs	\$ -
Financing Costs	\$ 663,009.00
Reserves	\$ 315,472.00
Developer Fee	\$ 527,974.00
Other	\$ 118,766.00
Total Project Uses	\$15,744,309