

BOARD BILL NUMBER 83

FISCAL NOTE

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Bill Sponsor: Alderman Joseph Roddy

Bill Synopsis:	Board Bills 81, 82 and 83 collectively (1) approve the Iron Hill Blvd Redevelopment Plan and the Redevelopment Project described therein, (2) approve Redevelopment Project Area 1 (as described therein), and (3) approve Redevelopment Project Area 2 (as described therein). The purpose of these bills is to approve tax increment financing assistance for the redevelopment of vacant and blighted property into a mixed-use development.
Type of Impact:	Tax increment financing allows for new, incremental revenues generated from a redevelopment project to be used to reimburse a developer for a portion of the costs associated with constructing redevelopment project. Taxing districts will forgo a portion of the new taxes generated by the Redevelopment Project for up to 23 years.
Agencies Affected:	Redevelopment of the Redevelopment Area will require building inspections and permits, as provided by the City Code. While tax increment financing is in effect, a portion of the tax revenues generated from the redevelopment area will be diverted to reimburse the developer for redevelopment project costs.

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.

It is anticipated that a Redevelopment Agreement will be approved in connection with the development and financing of the Redevelopment Project. Subject to the terms of the Redevelopment Agreement, the Developer will advance all costs of constructing the Redevelopment Project, but will be reimbursed for a portion of those costs through the issuance of one or more TIF Note (or other obligations) payable from TIF revenues (no general City revenues will be used to repay the TIF Note).

- 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.

Subject to the terms of the Redevelopment Agreement, the City will need to appropriate the revenues described above to the repayment of the TIF Notes (or other obligations). Please note that, to the extent those revenues are not generated as expected (i.e., if the Redevelopment Project underperforms expectations, the City will have no obligation to use other revenues to make up any shortfall).

- 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.

SECTION B

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

___ Yes __X__ 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 __X__ No.

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

The Comptroller's office and St. Louis Development Corporation (including the Minority Business Development and Compliance Office) will incur costs associated with administering the Redevelopment Project and the Redevelopment Agreement. However, the Redevelopment Agreement provides a source of funding for those costs, including (1) direct payments by the Developer and (2) use of a portion of the TIF revenues. Neither the Comptroller's office nor the St. Louis Development Corporation anticipate needing any further funding to cover the costs of administering the Redevelopment Project and Redevelopment Agreement.

The City's Building Division will also have costs associated with various inspections and permits. However, those costs should be covered by the City's permit fees.

Additionally, the Redevelopment Project's overall impact on the City's expected tax revenues has been studied. A report from the St. Louis Development Corporation is attached.

- Does the bill create a program or administrative subdivision?

___ Yes __X__ No.

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

___ Yes __X__ 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:

As noted above, the Comptroller's office and the St. Louis Development Corporation will have various administrative costs associated with the Redevelopment Project and the Redevelopment Agreement, which will be paid by the Developer or with TIF revenues, as provided in the Redevelopment Agreement. The City's Building Division will also have costs associated with providing inspections and permits. Similar to any other construction project in the City, these costs should be covered by permit fees.

In lieu of the chart below, a copy of a report by St. Louis Development Corporation analyzing the financial impact of the Redevelopment Project is attached (i.e., the “Scorecard”).

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. 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.

*****SEE ATTACHED REPORT*****