

# BOARD BILL FISCAL NOTE

(Board Bill Number 155)

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Bill Sponsor: Alderman Dan Guenther

<b>Bill Synopsis:</b>	<p>Board Bill No. ____ relates to an industrial development project for Anheuser – Busch, LLC (the “Company”). The project involves (1) the acquisition and installation of approximately \$85,000,000 of new equipment and other personal property and \$15,000,000 of real property improvements at the Anheuser – Busch brewery in the City (the “Project”), (2) the issuance of not to exceed \$100,000,000 of industrial revenue bonds in connection with the Project (the “Bonds”), and (3) the provision of real and personal property tax abatement and sales tax exemption on construction materials for the Project. The Bonds and tax abatement are permitted by Chapter 100, RSMo. The sales tax exemption is permitted by Section 144.062, RSMo. Board Bill No. ____ authorizes the issuance of the Bonds and approves the tax abatement and sales tax exemption. The real property tax abatement is limited to five years, 50%. The personal property tax abatement is limited to five years, 75%. Completion of the Project will accommodate new products from existing brewing material streams, further building on the Company’s global sustainability initiatives.</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 <b><i>and not from any City tax revenues</i></b>. 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>
<b>Type of Impact:</b>	<p>Pursuant to the requirements of Chapter 100, RSMo., a cost-benefit analysis showing the impact of the proposed tax abatement 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>

<b>Agencies Affected:</b>	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.
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**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:

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- 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:

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- 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.

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

<b>Additional Revenue</b>			
<b>Net</b>			

- 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? \_\_\_\_\_ .