WORK SESSION MEETING
AGENDA
CITY OF CREVE COEUR
CITY COUNCIL
300 NORTH NEW BALLAS RD
NOVEMBER 24, 2025
6:00 PM

CALL TO ORDER

ROLL CALL

DISCUSSION ITEMS

1. **Approval of November 10, 2025, City Council Work Session Minutes**

2. **Bayer East Comprehensive Plan Update - Incentive Review Criteria**
   Summary: Andy Struckhoff with PGAV Planners will continue the discussion on the incentive process used for the 2024 Olia Village project and present proposed criteria for the City Council to consider when evaluating future incentive requests for the Bayer East campus.

ADJOURNMENT

Pursuant to Section 610.022 RSMo., the City Council could, at any time during the meeting, vote to close the public meeting and move to closed session to discuss matters relating to litigation, legal actions and/or communications from the City Attorney as provided under Section 610.021(1) RSMo. and/or personnel matters under Section 610.021(13) RSMo. And/or employee matters under Section 610.021(3) RSMo. and/or real estate matters under Section 610.021(2) or other matters as permitted by Chapter 610.

Posted by: ______________________

Date/Time posted: ______________________

If you need special accommodations to attend a meeting, services may be arranged by contacting the Office of the City Administrator in advance.

WORK SESSION MEETING
MINUTES
CITY OF CREVE COEUR
CITY COUNCIL
300 NORTH NEW BALLAS RD
NOVEMBER 10, 2025
6:00 PM

CALL TO ORDER

A work session meeting of the City Council of the City of Creve Coeur was called to order by Mayor Robert Hoffman at the City Council Chamber, 300 North New Ballas Rd, City of Creve Coeur Government Center, Creve Coeur, MO 63141 on Monday, November 10, 2025, at 6:02 p.m.

ROLL CALL

Mayor Robert Hoffman
Council Member, Ward 1 Mark Manlin
Council Member, Ward 1 Donna Spence
Council Member, Ward 2 Nicole Greer
Council Member, Ward 2 Kimberly Norwood
Council Member, Ward 3 David Hoffman
Council Member, Ward 3 Drew Newman
Council Member, Ward 4 Mara Berry
Council Member, Ward 4 Scott Saunders

Others Present: Andy Struckhoff of PGAV Planners.

Staff Present: Interim City Administrator Sharon Stott, City Attorney Carl Lumley, Director of Community Development Jason Jaggi, Chief of Police Jeffrey Hartman, and City Clerk Kellie Henke.

DISCUSSION ITEMS

1. Approval of October 27, 2025, City Council Work Session Minutes

RESULT: APPROVED (UNANIMOUS)
MOVER: Berry
SECONDER: Spence
AYES: Manlin, Spence, Greer, Norwood, Hoffman, Newman, Berry, Saunders

The vote on the motion being 8 ayes and 0 nays, motion carried.

2. Bayer East Comprehensive Plan Update - Incentive Review Criteria

Andy Struckhoff, of PGAV Planners, reviewed the economic incentive programs available under state law and their potential applications (see Exhibit A; Slides 1 - 29), including Tax Increment Financing (TIF), Tax Abatement, Community Improvement Districts (CID), and Transportation Development Districts (TDD).

WORK SESSION MEETING
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NOVEMBER 10, 2025
6:00 PM

Council Member Norwood requested clarification on the TIF process and its impact on school districts. Mr. Struckhoff explained that the cost-benefit analysis considers property and sales tax revenues and emphasized that TIFs do not reduce existing school funding. School districts continue to receive their base property tax revenue, with only the incremental increases used for TIF-related improvements.

Mr. Struckhoff discussed several topics related to Tax Increment Financing (TIF), including the definition of a blighted area, subject to review and approval by the City Council, conservation areas, the property tax base and increment (PILOTs), the economic activity tax base and increment (EATs), as well as the general advantages and disadvantages of TIFs.

Mr. Struckhoff provided an overview of the TDD process, including its general advantages and disadvantages. He also discussed the CID process, outlining its pros and cons, along with explanations of Chapter 353 tax abatement and Chapter 100 tax abatement.

Council Member Hoffman moved, seconded by Council Member Spence, to continue the discussion of the incentive process used for the Olia Village project in 2024 as well as the draft criteria for the Council's consideration until the upcoming work session scheduled for Monday, November 24, 2025. This review will help inform the development of an incentive policy guide that the Council may use to evaluate future incentive requests for development proposals on the Bayer East campus.

RESULT: APPROVED (UNANIMOUS)
MOVER: Hoffman
SECONDER: Spence
AYES: Mark Manlin, Donna Spence, Nicole Greer, Kimberly Norwood, David Hoffman, Drew Newman, Mara Berry, Scott Saunders

The vote on the motion being 8 ayes and 0 nays, motion carried.

ADJOURNMENT

The meeting adjourned at 6:50 p.m.

WORK SESSION MEETING
MINUTES
CITY OF CREVE COEUR
CITY COUNCIL
300 NORTH NEW BALLAS RD
NOVEMBER 10, 2025
6:00 PM

Submitted by:

Kellie Henke	Dr. Robert Hoffman
City Clerk	Mayor

Bayer East Campus: Comprehensive Plan Update

City Council Incentives Discussion – November 10, 2025

Agenda

- Understand Purpose
- Review Incentives
- Recent Experience
- Incentive Review Criteria/Policy Considerations
- Next Steps

Purpose

Comprehensive Plan Update:

- Update the 2017 Creve Coeur Comprehensive Plan and 39North Master Plan to reflect the City's vision for the Bayer East Campus Site; understanding how this site can reflect the community's vision and fit within City's overall plan for the future
- Led by Planning & Zoning

Incentive Policy:

- Provides guidance for any use of incentives for development in this area in the future
- Led by City Council

Statutory Development Incentives

The State of Missouri enables Counties and Municipalities the ability to create individual areas within which taxes may be abated or redirected or within which additional taxes may be imposed.

The deployment of these mechanisms must be for a defined public purpose and also must conform with an adopted plan.

Statutory Development Incentives Include:

1. Tax Increment Financing
2. Tax Abatement
3. Community Improvement District
4. Transportation Development District

Goal – use available tools, when necessary, to create the type of development community desires

Tax Increment Financing ("TIF")

The Real Property Tax Increment Allocation Redevelopment Act (99.800-865 R.S.Mo.):

1. **Sources of Revenue:** Incremental revenues generated within the district; 100% incremental property tax revenues and 50% incremental economic activity taxes
2. **Eligible Uses of Funds:** Public capital improvements; property assembly (including acquisition and demolition of buildings); costs of rehabilitation, reconstruction, or repair or remodeling of existing buildings and fixtures; relocation costs
3. **Formation:** By governing body of City; requires TIF Commission review and public hearing
4. **Powers & Limitations:** Requires adoption of Redevelopment Plan which describes the project, redevelopment project costs, sources of funds to pay costs, type and term of sources of funds to pay costs, type and term of obligations, cost-benefit analysis, eligibility analysis and other findings per the TIF Act; must pass "but for" test

Tax Increment Financing ("TIF")

Governance: Governed by City; Incremental revenues allocated to a Special Allocation Fund maintained by the City

Borrowing Authority: Financial Obligations secured by Special Allocation Fund and may be issued by the City; Obligations shall not be a general obligation of the political subdivision and cannot exceed 23 years; Obligations may only be payable out of any funds or properties other than those specifically pledged as security

What is TIF?

THE TIF CONCEPT

TIF is a **<u>public/private partnership tool</u>** that is **<u>an incentive to overcome development challenges.</u>**

TIF enables an Area to **<u>fund its own revitalization</u>** by **<u>using incremental (new) taxes</u>** to pay for certain eligible project costs

- Up-to 100% of incremental property taxes.
- Up-to 50% of incremental sales taxes.

Projects that are expected to bring "net new" tax revenues to Missouri may qualify for "Super TIF".

TIF TERMINOLOGY

- Redevelopment Plan
- Redevelopment Project
- Redevelopment Area
- "Blighted Area"
- "Conservation Area"
- Redevelopment Project Area
- Payments in Lieu of Taxes (PILOTs)
- Economic Activity Taxes (EATs)
- Special Allocation Fund

"Blighted Area" Definition

(1) **"Blighted area"**, an area which, by reason of the predominance of insanitary or unsafe conditions, deterioration of site improvements, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, or welfare in its present condition and use;

“Conservation Area” Definition

(3) **"Conservation area"**, any improved area within the boundaries of a redevelopment area located within the territorial limits of a municipality in which fifty percent or more of the structures in the area have an age of thirty-five years or more. Such an area is not yet a blighted area but is detrimental to the public health, safety, or welfare and may become a blighted area because of any one or more of the following factors: dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of community planning. A conservation area shall meet at least three of the factors provided in this subdivision for projects approved on or after December 23, 1997. For all redevelopment plans and projects approved on or after January 1, 2022, in retail areas, a conservation area shall meet the dilapidation factor as one of the three factors required under this subdivision;

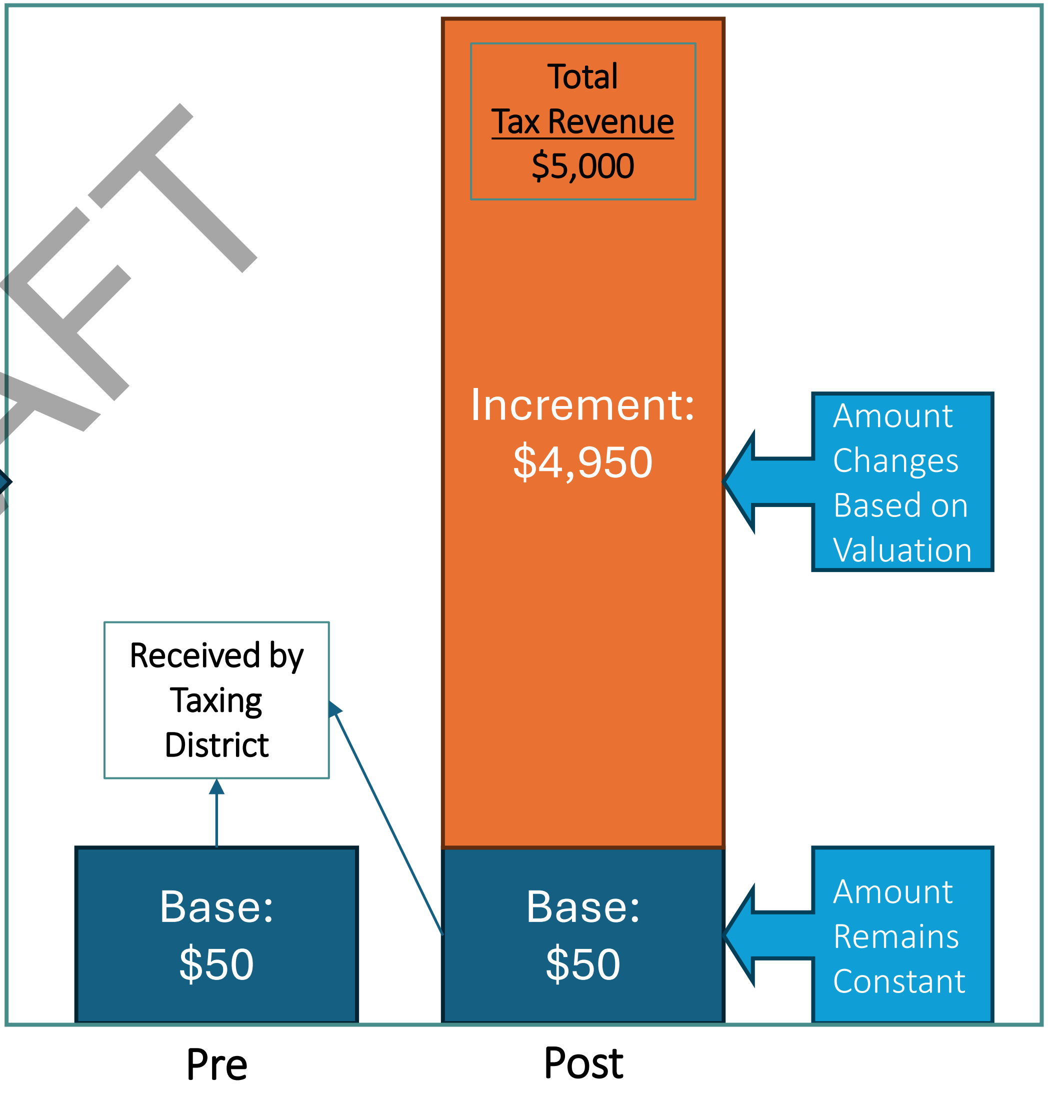
TIF: Property Tax Base and Increment (PILOTs)

Base

Property Assessed Value (Pre-Dvlp):
$1,000
Tax Levy:$5/$100 of Assessed Value
5%
Total Tax Revenue:
$50

Increment

Property Assessed Value (Post Dvlp):
$100,000
Tax Levy:$5/$100 of Assessed Value
5%
Total Tax Revenue:
$5000
Total Increment (PILOT's):
(Post-Dvlp Rev)-(Pre-Dvlp Rev)
($5000-$50)
$4950



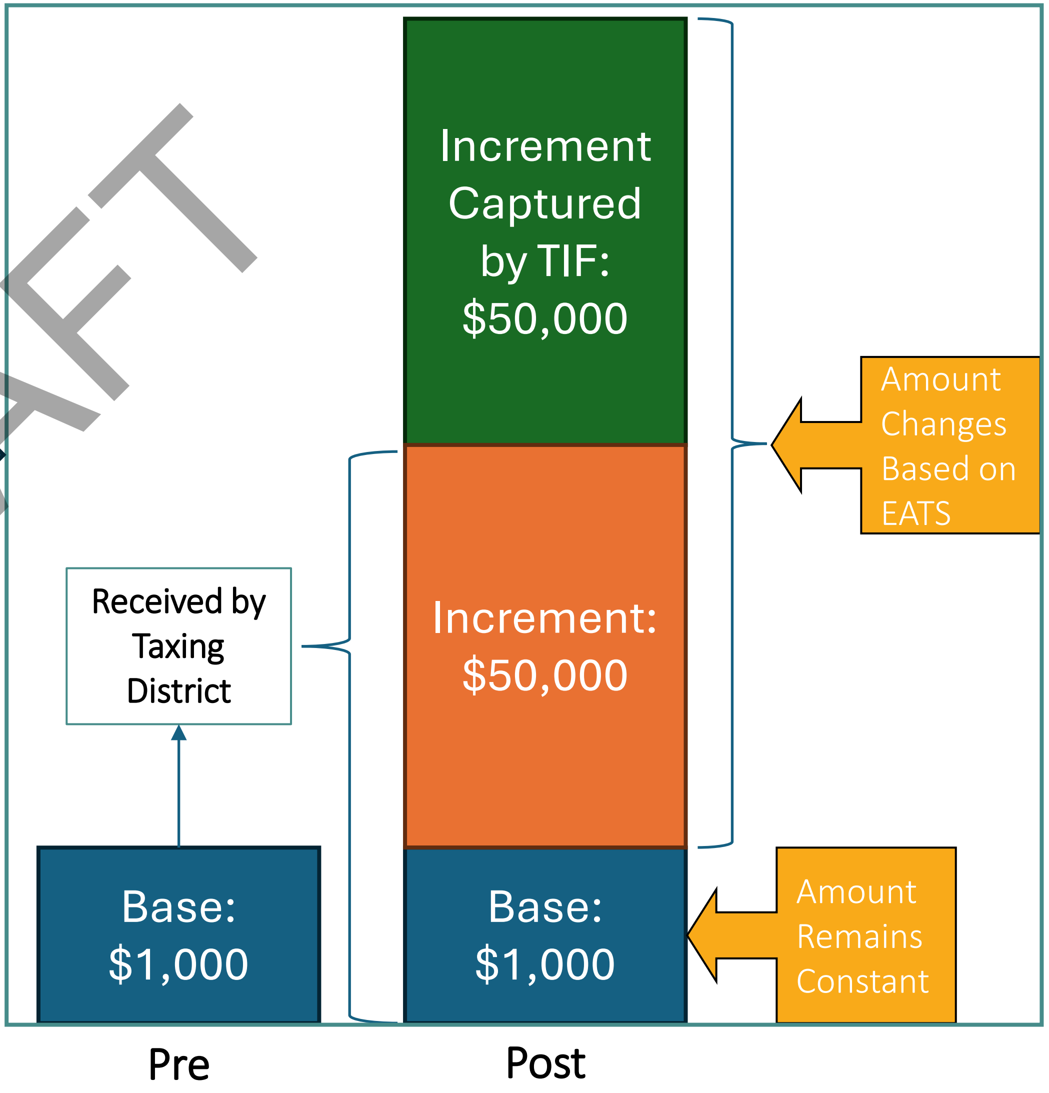
TIF: Economic Activity Tax Base and Increment (EATs)

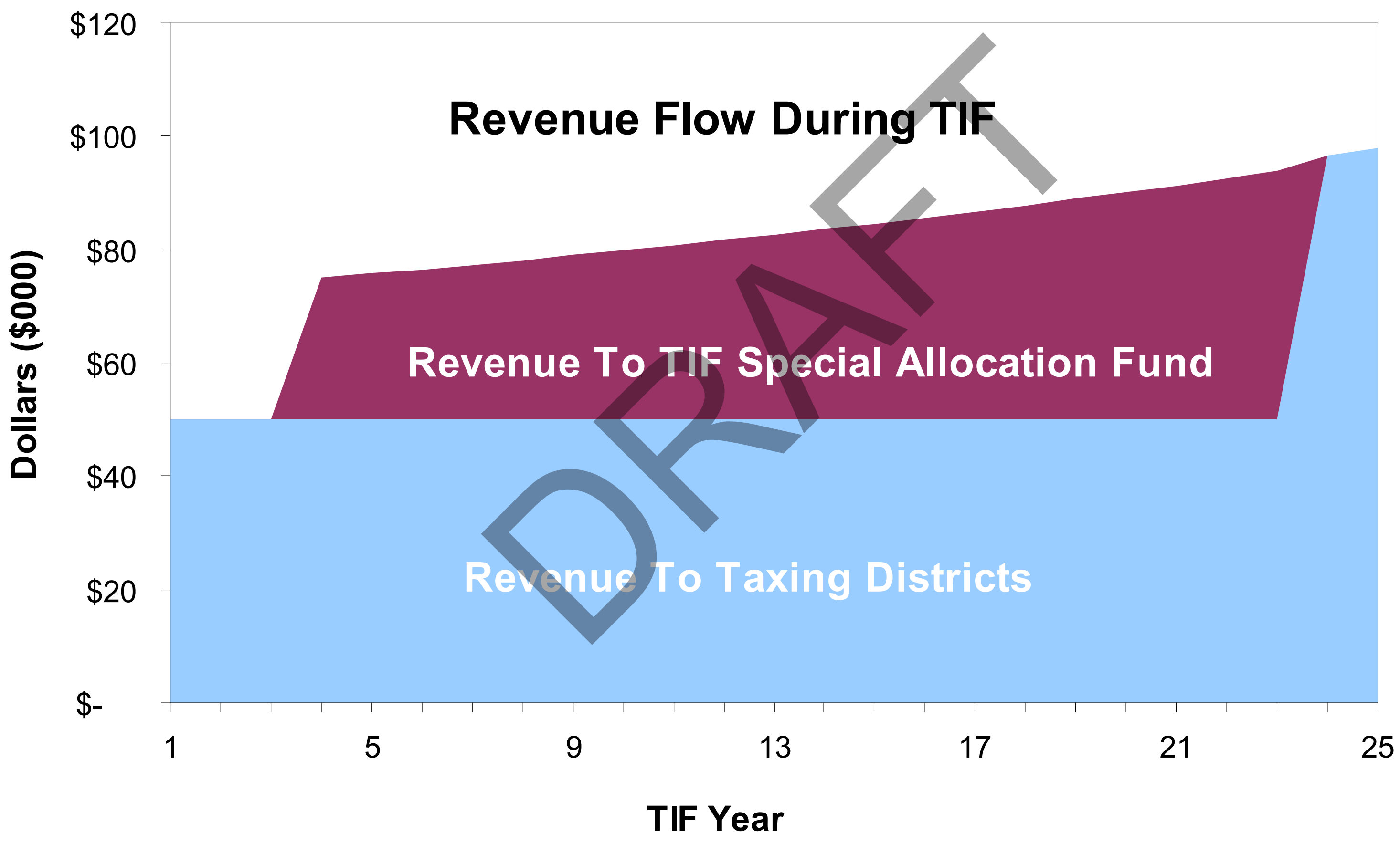
Base

EATS collected prior to TIF:
$1,000

Increment

Additional EATS generated from economic activities in the redevelopment area:
$100,000





Revenue Flow During TIF
$120
$100
$80
$60
$40
$20
$-
Dollars ($000)
Revenue To TIF Special Allocation Fund
Revenue To Taxing Districts
1
5
9
13
17
21
25
TIF Year
DRAFT

12

What is the TIF Process?

TIF COMISSION ESTABLISHED

This is an advisory body made up of representatives from affected taxing jurisdictions that makes recommendation to a governing body.

THE COST-BENEFIT ANALYSIS

TIF Act defines this document as a “fiscal impact analysis” on all affected taxing jurisdictions showing the impact whether the Project is built with TIF or not built.

THE REDEVELOPMENT PLAN

Details required findings: “Blighted Area” or “Conservation Area”

The “but for” Test

Conformance with the Comprehensive Plan

Redevelopment Project must be approved within 10 years of Redevelopment Area designation/TIF approval.

THE REDEVELOPMENT AGREEMENT

Binding agreement(s) between City and developer(s) outlining the obligations of both parties and the conditions for developing a property

TIF Pros and Cons

Pros:

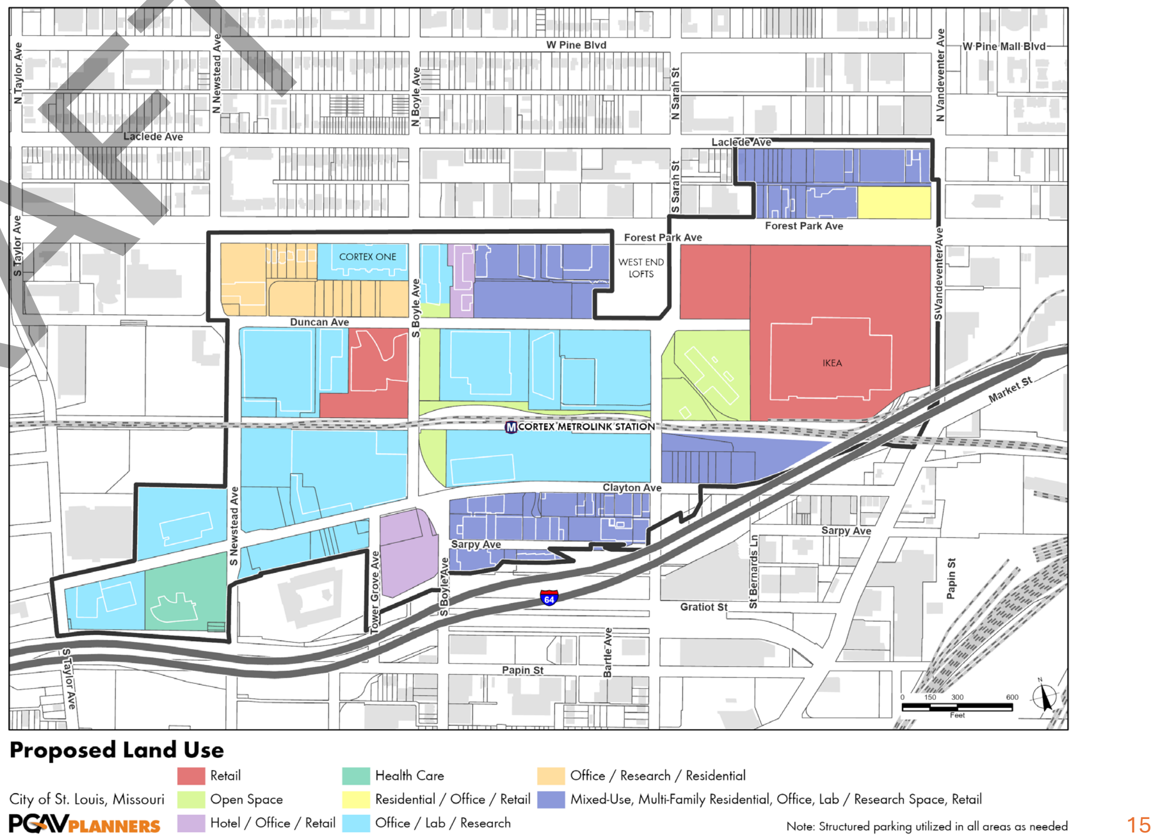
1. Public process
2. City can be in the driver's seat
3. Flexibility
4. Ability to monetize incremental revenues

Cons (or challenges):

1. Time period limitations
2. Requirement for a specific project often leads to developer-driven TIFs
3. Other taxing entities involved in TIF Commission

TIF Example-Cortex Innovation District

The Cortex Innovation Community is a vibrant, 200-acre hub of business, innovation, and technology integrated into St. Louis' historic Central West End and Forest Park Southeast neighborhoods.



Transportation Development District

Transportation Development Districts (TDD) (238.200-238.275 R.S.Mo.):

1. **Sources of Revenue:**
   1. Property tax not to exceed $0.10 per $100 assessed valuation or
   2. Sales tax not to exceed 1%;
   3. District may also levy tolls or special assessments for improvements benefiting the project
2. **Eligible Uses of Funds:** Transportation Infrastructure
3. **Formation:** By City or County, by voter petition, local transportation authority petition, property owner petition; must be approved by a majority of those voting

Transportation Development District

Powers & Limitations:

1. A TDD may lease or purchase and/or sell real or personal property necessary for its purposes.
2. May borrow money and issue bonds, notes, and other obligations.
3. May contract with local or federal agencies.
4. May generally act as necessary to accomplish its purposes consistent with the TDD Act.

Transportation Development District

Governance:

1. Managed by a district board with Local Authority oversight and MoDOT oversight for their right-of-way;
2. Board may consist of at least 5 nor more than 15 persons with one MODOT and one or more Local Authority advisors;
3. Election by voters or property owners required for approval of special assessment, tax or funding method

Borrowing Authority: District may contract and incur liabilities, may borrow money and issue bonds, notes and other obligations; May issue bonds payable from its revenues but may not exceed 40 years

Transportation Development District

Borrowing Authority:

1. District may borrow money and issue bonds, notes and other obligations;
2. Bonds, notes or other obligations may be paid from TDD revenues but such obligations may not exceed a term of 40 years.

TDD Pros and Cons

Pros:

1. Public process
2. Ability to monetize revenues
3. Multiple options for generating revenue
4. 40-year financing term

Cons:

1. Limited applicability of revenues only to transportation infrastructure projects

Community Improvement District

Community Improvement District (CID) (Section 67.1401, R.S.Mo.):

1. **Sources of Revenue:**
    1. Sales tax up to 1%.
    2. Special assessments approved by petition or any reasonable method of assessment.
    3. Taxes on real property and/or business license or approved by qualified voters.
2. **Eligible Uses of Funds:**
    1. Public capital improvements.
    2. Private capital improvements (located in a blighted area).
    3. Services (e.g., marketing).

Community Improvement District

Formation: By governing body of City, pursuant to submittal of a petition signed by a majority property owners by assessed value and number within the proposed CID.

Powers & Limitations:

1. Petition for district formation specifies area and duration of district.
2. Maximum rate of taxes.
3. Method and maximum rate of assessment.
4. Activities permitted in a "blighted area" are broader than those permitted in an area that is not subject to a "blighted area" determination.

Community Improvement District

Governance: Program managed by district board, with annual report to City; Board to consist of 5-30 members, appointed by City or elected by "qualified voters" of district, depending on petition; petition may identify original members; annual levy of taxes/assessments set by Board (within petition limits); District may be terminated by City, upon majority of property owners, by value and per capita

Borrowing Authority: Board may issue obligations payable solely from district revenues and assets pledged; District obligations are not general obligations of the district, unless approved by supermajority of voters in district. Limited to a term of 27 years.

CID Pros and Cons

Pros:

1. Public process.
2. Flexible applicability of revenues.
3. Flexibility with respect to revenue generation (i.e., sales tax, property tax, or special assessment).

Cons:

1. Limited term of 27 years.

Chapter 353 RSMo. Tax Abatement

Urban Redevelopment Corporations Law (Ch. 353, R.S. Mo.):

Mechanism: The City may authorize a 100% abatement of taxes paid on improvements in years 1-10 and a 50% abatement of taxes in years 11-25 on properties owned by the Corporation; the Corporation may accept grants or loans from government agencies.

Note: Districts providing emergency services may request reimbursement of up-to 100% of their property taxes abated.

Eligible Use: Clearance, replanning, reconstruction or rehabilitation of blighted areas, and the construction of such structures as may be appropriate

NOTE: CH 353 also requires that the governing body make a finding that the area in question is a “blighted area.” The definition of “blighted area” in CH 353 is the same as defined in the TIF Act.

Chapter 353 RSMo. Tax Abatement

Formation:

1. Creation of an Urban Redevelopment Corporation and registration with the Secretary of State.
2. The articles of agreement or association shall be prepared, subscribed and acknowledged, and filed in the office of the secretary of state pursuant to the general corporations laws of the state CH 353
3. Application to the City for the authorization of a Development Plan
4. Approval requires a public hearing and the granting of rights and powers by City via ordinance and consistent with Chapter 353.

Chapter 353 RSMo. Tax Abatement

Powers & Limitations:

1. Corporation can only operate in an area with a Development Plan.
2. Powers of the Corporation must be authorized by the governing municipality.
3. Tax abatement must be authorized by the governing municipality.

Chapter 100 RSMo. Tax Abatement

Property Tax Abatement Mechanism: A municipality may effectuate tax abatement through the purchase or construction of a development project and then leasing the project back to a business. In this way, since the property is owned by the municipality, it is exempt from property taxes however a payment in lieu of taxes may be requested from taxing districts that provide emergency services.

Sales Tax Abatement Mechanism: Section 144.062 RSMo provides for the exemption of sales and use taxes paid on construction materials for certain projects. This action requires a valid exemption certificate and a letter from the municipality.

CH 353 Tax Abatement Pros and Cons

Pros:

1. Public process.
2. The ability on the part of the City to impose Payments In Lieu of Taxes (PILOTs) to moderate the amount of tax abatement provided by the statute.
3. Common definition of “blighted area.”
4. Statute permits 25-years of tax abatement, but the City can permit a shorter timeframe if desired.

Cons:

1. Abatement also addresses commercial surcharge tax revenues.

Tax Abatement + CID + TDD

Local Example – Olia Village, Creve Coeur, MO

Olia Village – Original Incentive Request

1. Chapter 353 Tax Abatement for 25 years measured from the start of the calendar year following substantial completion of the first portions of each phase as follows:
   a. 95% abatement of incremental value years 1-5;
   b. 75% abatement of incremental value years 6-10
   c. 50% abatement of incremental value years 11-25
2. Community Improvement District Special Assessment in coordination with tax abatement
3. Community Improvement District 1% Sales Tax for up-to 27 years
4. Transportation Development District 0.5% Sales Tax for up-to 40 years
5. Chapter 100 Sales Tax Exemption on Construction Materials.

Olia Village – Final Incentive Structure

1. Real Property Tax abatement, as provided under Chapter 353 of the Missouri Revised Statutes.
   a. 75% of real property taxes abated years 1-10 for each of the 17 lots starting upon completion of development of each lot, exclusive of land value and improvements as of 2023 (the "base year")
   b. 50% of real property taxes abated years 11-25
   c. Notwithstanding the above, there will be no tax abatement on any lot upon which townhomes or other single-family residences are constructed
2. Formation of a Community Improvement District (CID) – 1% sales tax for up to 27 years and a special assessment in coordination with the proposed tax abatement
3. Formation of a Transportation Development District (TDD) – 0.5% sales tax for up to 40 years
4. Sales and use tax exemption on qualified building materials for construction of site work, as provided under Chapter 100 of the Missouri Revised Statutes

Olia Village – Incentive Negotiation

Series of meetings and rounds of review:

- Internal City Review – by Staff and Council
- Outside Review – by PGAV
- Stakeholder Feedback – from School District and others
- Revised Requests from Developer

Results:

- Reduced Tax Abatement 20% in the first five years
- Removed residential townhomes from tax abatement

Incentive Review Criteria

1. Considered based on demonstration of need.
2. Targeted to address the need utilizing the appropriate incentive program.
3. Service Provision - Does the incentivize development positively impact the ability of the City and other jurisdictions to provide services? This includes emergency services.
4. School District - Will the project house students? If so, will it generate sufficient tax revenue to support education costs?
5. Conformance with the Comprehensive Plan.
6. Consider the amount of incentives as a percentage of total development costs.
    1. Average amount of support is around 17%
    2. Communities typically hold a threshold of support based on the percentage of total development costs.
7. No financial risk or liability to the City.
8. Performance guarantees.

Incentive Review Process

1. Information gathering: Assess the Need
2. Understanding the project from the developer's perspective
   - Development costs
   - Return on investment
   - Use of incentives - pay-as-you-go or financial obligations?
3. City's perspective
   - Impact on tax revenue and ability to provide service
   - Coordinating with overlapping jurisdictions (e.g., school, County, fire)
   - Policy precedents
   - Conformance with the community's plan
4. City to engage planning consultant and legal bond counsel to assist in the review and analysis of any incentive requests

Timing: Review of incentive requests happens in tandem with zoning applications for Council review after P&Z Commission recommendation has been received.

Public review/hearing and comments as part of any ordinance to approve incentives (these may be required by statute based on the specific incentive program)

Next Steps

Comprehensive Plan Update

- Completion and adoption in December 2025-January 2026 by P&Z

Incentive Policy - Principles for the use of incentives to support development

- Presented to Council for consideration – January

city of CREVE COEUR

300 North New Ballas Road • Creve Coeur, Missouri 63141
(314) 432-6000 • Fax (314) 872-2539 • Relay MO 1-800-735-2966
www.creve-coeur.org

MEMO TO MAYOR AND CITY COUNCIL

Meeting Date: November 10, 2025

Subject: **Work Session Item: Bayer East Comprehensive Plan Update—Development Financing Review Policy Discussion**

Memo Prepared by: Jason W. Jaggi, AICP, Director of Community Development

Attachments:
1. Resolution No. 1785—Task Order Agreements with PGAV Planners for the Bayer East Comprehensive Plan Update and Scope of Services;
2. Olia Village Incentives Q&A Sheet

On March 25, 2025, the City Council approved Resolution No. 1785 authorizing a task order agreement with PGAV Planners to prepare an update to the City's comprehensive plan for the Bayer East Campus. The comprehensive plan update process began in April of this year and is approaching the final stages with the draft recommendations presented at the open house on October 29th. The next steps to complete the process are refinement of the plan recommendations and development scenarios, preparation of the final draft plan, and the public hearing and adoption of the plan update by the Planning and Zoning Commission. The plan update webpage has additional information on the process to date, including the draft recommendations, which can be viewed here.

A separate component of the scope of work for this study is for PGAV Planners to prepare incentive review criteria for the City's consideration of any financial assistance or development incentive requests (Item V. in the attached Scope of Services). This document can be used by the City Council to identify incentives the City might be open to considering and what constraints and criteria are likely to be utilized when considering their use.

At this work session, PGAV Planners will review the economic incentive programs available by state law and how they can be applied. The consultant will also review the incentive review process that was recently utilized for the Olia Village project in 2024. Finally, the consultant will provide draft criteria for the Council's review and discussion. The outcome of this review will be an incentive policy guide that the Council may choose to use in the evaluation of any incentive requests that may be submitted as part of a development proposal on the Bayer East campus.

Staff has attached the PGAV Planners Comprehensive Plan Update Scope of Services and the Olia Village Q&A document that is posted on the City's website for review prior to the Work Session discussion.

ATTACHMENT A

TASK ORDER NUMBER TWO

In accordance with the Master Services Agreement between the City of Creve Coeur, Missouri (the "City"), and PGAV Planners, LLC. ("PGAV") dated April 27, 2023, this Task Order Number Two ("Task Order") serves as the written authorization to PGAV to provide the services described herein, in accordance with the attached work schedule and compensation structure.

I. SCOPE OF SERVICES

The scope of services to be performed pursuant to this Task Order (the "Scope of Services") are as described in Exhibit A attached hereto, which describes the work to be performed and the schedule within which the work shall be delivered. PGAV shall furnish all labor, materials, supplies, equipment, supervision, and services necessary for and incident to the delivery of the Scope of Services. PGAV represents that it has thoroughly reviewed the Scope of Services and the Master Services Agreement and that it accepts the Task Order and the conditions under which the Task Order is to be performed.

II. INFORMATION TO BE PROVIDED BY THE CITY

Depending upon where such information may be located and maintained, the City will provide to PGAV available data as follows:

1. Data and/or contact persons who may provide information regarding the Site (as defined in Exhibit A) including the offering document, existing conditions, and/or site analyses.

2. Access to comprehensive plan, City ordinances and design guidelines via City web.

3. Data which the City has or which may be readily acquired without extensive research which may assist in conducting the work as outlined in Exhibit A, including information regarding, but not necessarily limited to, existing master development plans or conditional use permits, reviews of staff or consultants; and

4. The services of the City Attorney, the City Clerk, Community Development Director, or other staff, if necessary, for review of preliminary documents prepared by PGAV and assistance in establishing meetings with the City Council, Planning and Zoning Commission, property owners or developers (or their representatives), or other parties as may be required to conduct the work. PGAV acknowledges that it will not be a client of the City Attorney and all work by the City Attorney shall be solely on behalf of the City.

III. NOTICES

The relationship between the City and PGAV necessitates mutual trust, effective collaboration, prompt sharing and evaluation of relevant information, and a commitment to timely communication and responsiveness. If either party feels that their expectations or information needs (pertaining to the other party or within their control) are not being adequately met, they agree to inform the other party about the issue. The objective of such notices is to encourage prompt communication and to prevent disputes. A notice can be delivered through a phone call, email, fax, express, or postal service.

The project representatives are Andy Struckhoff, President of PGAV, and Jason Jaggi, Director of Community Development for the City of Creve Coeur, Missouri. PGAV staff assigned will include members of our team as appropriate to the work. A party may designate a new project representative by sending a notice of the change to the other party.

IV. PROJECT STAFFING & MANAGEMENT

PGAV hereby agrees to provide the qualified professional, technical, and clerical staff available within the firm to conduct the work in accordance with the tasks as outlined in this Agreement and within each Task Order.

V. FEE AND METHOD OF COMPENSATION

A. Compensation shall be made to PGAV on an hourly basis in accordance with the hourly rates as set forth below. The overall fee for the services as set forth herein shall not exceed $60,000 exclusive of reimbursable expenses.

B. PGAV's standard hourly are as set forth at right. Any invoice issued for an assigned task will be based on the hourly rate of the PGAV staff involved in conducting the assignment. PGAV's standard hourly rates shown at right are subject to change once per year. PGAV's hourly rates subject to this agreement shall not be changed without the City's written consent.

Project Staff	Hourly Rate
President	$290
Vice President	$260
Senior Director	$235
Associate Director	$235
Senior Project Manager	$220
Project Manager	$185
Project Planner	$160
Planner	$130
Intern	$65
Administrative/ Technical Assistance	$95

C. Reimbursable expenses will consist of mileage, long distance telephone charges, express delivery charges, photographic expenses, the cost of printing or other reproduction of documents, fees or charges for documents owned by others, and other "out-of-pocket" expenses required to provide the services described. Such expenses will be billed at their direct cost to PGAV.

D. If the City fails to make payment due to PGAV for services and reimbursable expenses within 60 days after receipt of our initial statement, PGAV will suspend services under this agreement until PGAV has been paid in full the amounts due for services and expenses.

E. If for any reason the City determines that a task properly initiated under the terms of this Agreement should not proceed, the City will inform PGAV in writing that they wish to terminate the task. The date of said termination shall occur upon receipt of the written notice of termination by PGAV via the U.S. Postal Service or facsimile (followed by receipt of an original signature copy). The City will pay to PGAV an amount representing the work performed to the date of termination in accordance with the hourly rate schedule herein for the classification of personnel involved with the work plus any reimbursable expenses which have been incurred by PGAV to that date.

VI. TIMING

This Scope of Services is to be performed over a six (6) month planning process upon approval of the Task Order by City Council, for completion by October 1, 2025.

VII. OWNERSHIP OF DOCUMENTS

PGAV agrees that any and all reports prepared, and conclusions reached hereunder, may be designated by the City as being for the confidential information of the City and that neither PGAV nor any member of the PGAV staff will disclose any such designated confidential materials with any person whatsoever, other than the City or their authorized representatives, except when called upon to testify in relation to such report or conclusion under oath in a judicial forum, or as may be otherwise required by law. PGAV will cooperate with the City regarding compliance with Federal or State "sunshine law" provisions. The City will have sole ownership of all documents, reports, maps, etc. prepared under this Agreement, including rights of copying and distribution.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed this 16 day of April, 2025.

ATTEST:

CITY OF CREVE COEUR, MISSOURI

Mark Perkins
City Administrator

ATTEST:

PGAV PLANNERS, LLC

Andy Struckhoff
President

EXHIBIT A

SCOPE OF SERVICES

I. General Description

1. With the potential change in ownership of 92-acres of the current 151-acre East Bayer Campus (the "Site") (outlined in red in the image below), an update to the City's Comprehensive Plan, Creve Coeur 2030 (the "Comprehensive Plan Update") is needed.

East Bayer Campus; the Site, highlighted in red.

The focus of the plan update is to identify appropriate future land uses and development objectives in order to position the Site to positively contribute to the City and the future development of the 39 North AgTech District. PGAV will perform the following tasks:

II. Site Analysis

1. Identify existing conditions and characteristics of the Site including uses, access, topography, flora and fauna, zoning, etc.
2. Understand major factors including the planned 39 North Greenway, the trail connection from Stacy Park, the existing Tealwood Drive connection just south of the site, a potential extension of the Bayer Drive connection from Olive, and any plans for the Lindbergh Blvd overpass connecting the site to the Olia Village development.
3. Analyze Site characteristics and potential for functionality and walkability in accordance with City requirements and best planning and site design practices.
4. Coordinate with the Site's existing owner to gain access to the Site.
5. Analyze uses and conditions of existing buildings located within the Site.

III. Market Analysis

1. Evaluate the market for reuse of some or all of the existing buildings and facilities.
2. Perform market analysis on potential future land uses, including residential, commercial, office, research, and lab components, and for those uses which will further the objectives of the 39 North Master Plan.

3. Describe existing market conditions and project future demand and absorption associated with each use described above and in terms of building square foot or, with respect to residential, number of units.

IV. Development Analysis

1. Identify the future role of this property within the broader 39 North District and how this property can contribute to the goals of the 39 North District and to the adjacent planned Olia Village development.
2. Consider future development scenarios for the Site. Depending on the information revealed in the site analysis phase and the data analyzed in the market analysis phase, these development scenarios may include concepts which include utilizing all existing buildings, utilizing some of the existing with new development, and assuming all existing buildings are demolished, and new development is planned on the site.
3. Provide future development recommendations identifying appropriate land uses, connectivity, open space, massing, building heights, and compatibility with adjacent residential uses.
4. Draft Comprehensive Plan Update.

V. Policy

1. Provide recommendations for development planning review mechanisms such as utilizing the City's planned zoning district procedure.
2. Identify general review criteria for the City's consideration of financial assistance or development incentives.
3. Work with City staff to formalize development incentive review criteria and public processes. This document will help to address incentives the City might be open to considering and what constraints and criteria are likely to be utilized when considering their use.
4. Draft Policy Framework.

VI. Public Outreach

1. Assist City staff with three public outreach components:
   a) One (1) open house to seek public feedback about the future of the Site. It is anticipated that this meeting will allow residents to understand the current conditions and provide feedback to be used in the Development Analysis phase.
   b) One (1) open house to review recommendations.
   c) One (1) meeting to present the final draft of the Comprehensive Plan Update to the Planning & Zoning Commission at the Public Hearing.
   d) Stakeholder engagement with 39 North partners including the 39 North organization, Bayer, and others.

VII. Deliverables

1. Prepare a written Comprehensive Plan Update addressing the Site, which update shall be in suitable form for adoption by the Planning and Zoning Commission.
2. Site Plans and related maps or GIS data.
3. Development Incentive Review Policy Framework.

RESOLUTION NO. 1785

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CREVE COEUR, MISSOURI AUTHORIZING EXECUTION OF A TASK ORDER AGREEMENT UNDER THE MASTER SERVICES AGREEMENT BETWEEN THE CITY OF CREVE COEUR, MISSOURI AND PGAV PLANNERS

WHEREAS, Bayer intends to sell approximately 91 acres of their 151-acre Bayer East campus and is soliciting offers from developers; and

WHEREAS, the City of Creve Coeur's adopted comprehensive plan does not contemplate any significant changes to the Bayer East campus; and

WHEREAS, an update to the City's comprehensive plan is necessary in light of these changes to the status of the Bayer East campus to establish land use goals and recommendations for this property, located with the boundaries of the 39 North District; and

WHEREAS, on April 24, 2023, the City Council approved Resolution No. 1639 regarding a Master Services Agreement with PGAV Planners for planning and development financing services;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CREVE COEUR, AS FOLLOWS:

Section 1: Task Order Number Two between **PGAV Planners** and the City of Creve Coeur, attached hereto as "Exhibit 1" to provide planning services to the City of Creve Coeur is hereby approved and the City Administrator is authorized to execute same. The fee for services shall not exceed $60,000.00 with an additional $5,000.00 authorized for reimbursable expenses. The agreement as executed shall be in the form of such exhibit with such changes as are consistent with the provisions and intent of this Resolution and necessary to achieve the purposes hereof. The City Administrator and his designated representatives are hereby authorized and directed to take any and all actions necessary, desirable, convenient, or proper in order to carry out the intent of this Resolution, the matters herein authorized, and the rights and duties of the City under the agreement.

ADOPTED THIS 24TH DAY OF MARCH, 2025.

DR. ROBERT HOFFMAN
MAYOR

ATTEST:

KELLIE HENKE
CITY CLERK

Olia Village Development – Tax Incentives Question and Answer

What will the Olia Village Project consist of?

A site concept plan for the 96-acre Olia Village development was approved by the City Council on November 13, 2023. The development is a joint venture between Jack Matthews Development LLC and a family trust whose trustee is a principal of Fireside Financial LLC.

The Olia Village development includes a mix of retail, restaurant, hotel, office and housing over 17 separate lots. The development is centered around a "Main Street", providing a pedestrian-oriented environment which the city's comprehensive plan has referenced as a major objective for the city for many years.

On April 8, 2024, the City Council approved an ordinance authorizing a Master Redevelopment Agreement which provides certain incentives.

What tax incentives are being provided?

- Real Property Tax abatement, as provided under Chapter 353 of the Missouri Revised Statutes.
  - 75% of real property taxes abated years 1-10 for each of the 17 lots (except as noted below), starting upon completion of development of each lot, exclusive of land value and improvements as of 2023
  - 50% of real property taxes abated years 11-25
  - Notwithstanding the above, there will be no tax abatement on any lot upon which townhomes or other single-family residences are constructed
- Formation of a Community Improvement District (CID) – 1% sales tax for up to 27 years and a special assessment in coordination with the proposed tax abatement
- Formation of a Transportation Development District (TDD) – ½% sales tax for up to 40 years
- Sales and use tax exemption on qualified building materials for construction of site work, as provided under Chapter 100 of the Missouri Revised Statutes

Why is Creve Coeur providing tax incentives for the Olia Village development?

The City of Creve Coeur has provided tax incentives on very few occasions over the last 25 years. However, the size and location of this parcel makes it unique not only in Creve Coeur but in all of St. Louis County.

The proposed development is consistent with the city's long term comprehensive land use plan, Creve Coeur 2030, by offering a high quality, mixed-use, pedestrian-oriented development with amenities such as a walking trail and 'Main Street' design.

The development will also serve to further the growth and development of the 39 North Agtech Innovation District, which already is home to over 30 agtech businesses and organizations. The core organizations of 39 North – The Danforth Plant Science Center, BRDG Park and the Helix Center Biotech Incubator -- result in a $450 million annual economic impact. Olia Village will provide additional housing opportunities, hotels, restaurants, office space, walking trails and other amenities which are critical to the continued growth and success of 39 North.

All taxing districts including the Ladue School District and the City of Creve Coeur will benefit from additional tax revenues throughout the life of the project. The new revenues created by the Olia Village development will provide additional funding for city services such as police protection, public works and parks as well as the schools and other taxing jurisdictions.

Absent incentives, the property could remain vacant or underutilized for years with no guarantee of attracting a development desirable by the Creve Coeur community, resulting in little or no additional tax revenue for schools or other jurisdictions.

These tax incentives can be beneficial to the development by enhancing the financial viability of a project which, absent incentives, may not be viable. Cities in the St. Louis region and elsewhere are using these incentives as effective tools to attract new development.

Is Tax Increment Financing (TIF) being used?

No. Only the incentives as outlined above.

Is there a cap on the amount of incentives the developer can receive?

Yes. The maximum amount of tax abatement is $34.1 million, and the maximum amount of all incentives excluding the sales tax exemption is $61.8 Million. These figures compare to total development costs projected to approach one billion dollars.

How do the proposed incentives compare to other developments in the region?

The proposed incentives are proportionally smaller than those for other nearby developments.

According to PGAV, the net present value (NPV) of assistance has historically averaged 17% of total development costs across incentivized projects in the St. Louis region.

For Creve Coeur, the total NPV of all incentives is 6.7% of total development costs. This is based on a maximum incentive amount of $61.8 million, sales and use tax exemption on qualified materials of $4.6 million, and total estimated development costs of $984.8 million. This compares to other recent projects as follows:

- For the Streets of St. Charles project, the total NPV of incentives was 14.3% of total development costs.
- For the Chesterfield Downtown TIF project, the total NPV of incentives is 9% of estimated total development costs.
- For the Brentwood Manchester Corridor project, the total NPV of incentives is 11.6% of estimated total development costs.

The City's staff and consultants have not been able to identify any comparable projects in the St. Louis region which have *not* included tax incentives.

How was the amount of the proposed incentives determined?

The proposed incentives were negotiated between the city's staff and consultants and developer representatives over the course of many months and remain subject to Council approval. Factors considered included a review of similar projects in the St. Louis region and the unique characteristics and challenges of the proposed Olia Village development. The proposed ordinances currently before the City Council reflect compromise by both parties.

Will the City of Creve Coeur, the Ladue School District or other taxing entities lose money as a result of the incentives being provided?

No, current tax dollars will not be diverted to the proposed development. A portion of new tax dollars, created by the development, will be abated. New revenues for the Ladue School District are projected to exceed costs for educating new students residing in the development in all years, based upon an analysis completed by the city's consultant, PGAV Planners. In addition, the 130-unit townhome portion of the development, where families are most likely to reside and potentially increase enrollment in the Ladue School District, has been excluded from any tax abatement. The Ladue School District, and the other taxing jurisdictions, will receive 100% of the tax revenues on the townhome portion of the development that they would have received in the absence of tax abatement.

The City's projected revenues resulting from the development will exceed projected costs of providing services in all years. In fact, the economic activity projected to be generated by the Olia Village development will provide needed additional revenue for city services such as police protection, public works, leaf collection, parks and other services utilized by all city residents.

The Creve Coeur Fire Protection District, as an emergency service provider, has opted out of tax abatement so it will receive full tax payments resulting from the development.

Is the property truly 'blighted' as claimed?

A "blighted area" is defined in Missouri Statutes as follows: "an area which, by reason of the predominance of insanitary or unsafe conditions, deterioration of site improvements, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, or welfare in its present condition and use. "

An Analysis of Blighted Area Factors for the property (Olia Village Development Plan Exhibit D) was conducted by Steadfast City on behalf of the Developer, and concluded that the property is blighted as defined in the statute. This document states, "Based on the findings included in the Environmental Report completed by SCI Engineers and Steadfast City's in-person inspections of the site and analysis of the historical equalized assessed valuation of the site, the Redevelopment Area meets the definition of a "blighted area" according to Section 353.020(2) of the Revised Statutes of Missouri, as amended and Section 67.1401.2(3) of the Revised Statutes of Missouri, as amended."

How will a designation of blight affect nearby properties?

The blighting designation for the development site is a pre-qualification for tax abatement under Chapter 353 of the Missouri Revised Statutes.

The existing conditions are not positively contributing to the surrounding neighborhoods no matter the result of the current Council proceedings. Moving forward with this project and the Chapter 353, Chapter 100, CID, and TDD proceedings allows for the potential of this condition to be improved as opposed to continuing to stay stagnant or degrade. The proposed improvements are projected to include nearly a billion dollars of investment which will improve the tax base, stimulate further economic growth of 39N, and provide an amenity-rich mixed-use as recommended in the comprehensive plan.

A vacant or under-utilized office campus is not a helpful economic presence for Creve Coeur and for the surrounding neighborhoods. The incentive package being considered is meant to alleviate the property's current condition and redevelop the area to a more dynamic and productive use that will benefit the City, the local economy, and the values of neighboring properties.

With a CID and TDD, what will the sales tax rate be in Olia Village? How does this compare to other shopping districts in St. Louis?

The CID and TDD will collectively add 1.5% to the sales tax rate. These additional sales taxes only apply to sales within the Olia Village development. The table below compares the total proposed sales tax rate in Olia Village to other nearby developments.

City	State	County	City	CID	TDD	Total Rate
Rock Hill Market at McKnight	4.225%	2.513%	2.500%	1.00%	1.00%	11.238%
Brentwood Promenade	4.225%	2.513%	3.000%		1.00%	10.738%
Richmond Heights Blvd Project	4.225%	2.513%	2.750%		1.00%	10.488%
Creve Coeur Olia Village	**4.225%**	**2.513%**	**2.250%**	**1.00%**	**0.50%**	**10.488%**
University City-Costco	4.225%	2.513%	2.500%	1.00%		10.238%
Kirkwood Station	4.225%	2.513%	2.500%		1.00%	10.238%
Chesterfield Blue Valley Outlets	4.225%	2.513%	2.000%	1.00%	0.38%	10.113%
Manchester Highlands	4.225%	2.513%	2.250%		1.00%	9.988%
Richmond Heights Menard Project	4.225%	2.513%	2.750%	0.50%		9.988%

By providing incentives to the developer, what are the financial risks to the City should revenue projections fall short?

The City is not responsible for the repayment of any debt incurred as part of the development; this is entirely the developer's responsibility.

Incentives are directly tied to the developer's performance; as the assessed value and retail sales within the development grow, the developer will realize greater incentives up to the agreed-upon maximum reimbursement.

The city's operating costs for providing city services to the development are projected to be only 22% of the estimated revenue from the development. The city is not forwarding any funds or creating future liabilities for itself.

The project will not adversely affect the city's credit rating.

What performance guarantees does the city have in place?

A performance bond or escrow will be required to ensure completion of all site improvements, including streets, sidewalks, trails, storm water detention facilities, retaining walls, and street lighting. In addition, no notes will be issued to the developer until site work is completed. Such notes are a prerequisite to the developer receiving the incentives.

Under the Redevelopment Agreement, issuance of bonds by the developer has been limited until completion of the mixed-use portion of the development and completion of certain restaurant and retail requirements. Without issuance of bonds, the developer would only receive the benefit of the incentives over a period of many years.

In addition, if the mixed-use development and retail and restaurant requirements are not completed by 2030, interest on all notes issued to the developer shall cease until requirements are met.

Also, tax abatement may be reduced if sales taxes are outperforming projections. Tax abatement ends when all obligations secured by the CID special assessments are paid in full or cancelled.

What is the plan for oversight of the incentives?

All project costs must be submitted to the city for review and approval, including itemized invoices, receipts or other documentation evidencing that all such costs have been paid or incurred and qualify as reimbursable project costs under the Redevelopment Agreement.

The City will have two representatives on the CID and TDD Boards to oversee the finances and affairs of each of the special districts. No additional costs beyond those currently identified as extraordinary can be recovered without approval of the City's representatives.

The CID and TDD sales taxes must terminate once the incentive amount is paid. The taxes cannot be extended or applied to other purposes without approval of the City Council.

Where can I find more information on the development and incentives?

More details regarding the Olia Village development can be found on the City's website.

September 24, 2024

PGAV PLANNERS

Exhibit A

Bayer East Campus: Comprehensive Plan Update

City Council Incentives Discussion – November 10, 2025

Agenda

- Understand Purpose
- Review Incentives
- Recent Experience
- Incentive Review Criteria/Policy Considerations
- Next Steps

Purpose

Comprehensive Plan Update:

- Update the 2017 Creve Coeur Comprehensive Plan and 39North Master Plan to reflect the City's vision for the Bayer East Campus Site; understanding how this site can reflect the community's vision and fit within City’s overall plan for the future
- Led by Planning & Zoning

Incentive Policy:

- Provides guidance for any use of incentives for development in this area in the future
- Led by City Council

Statutory Development Incentives

The State of Missouri enables Counties and Municipalities the ability to create individual areas within which taxes may be abated or redirected or within which additional taxes may be imposed.

The deployment of these mechanisms must be for a defined public purpose and also must conform with an adopted plan.

Statutory Development Incentives Include:

1. Tax Increment Financing
2. Tax Abatement
3. Community Improvement District
4. Transportation Development District

Goal – use available tools, when necessary, to create the type of development community desires

Tax Increment Financing ("TIF")

The Real Property Tax Increment Allocation Redevelopment Act (99.800-865 R.S.Mo.):

1. **Sources of Revenue:** Incremental revenues generated within the district; 100% incremental property tax revenues and 50% incremental economic activity taxes
2. **Eligible Uses of Funds:** Public capital improvements; property assembly (including acquisition and demolition of buildings); costs of rehabilitation, reconstruction, or repair or remodeling of existing buildings and fixtures; relocation costs
3. **Formation:** By governing body of City; requires TIF Commission review and public hearing
4. **Powers & Limitations:** Requires adoption of Redevelopment Plan which describes the project, redevelopment project costs, sources of funds to pay costs, type and term of sources of funds to pay costs, type and term of obligations, cost-benefit analysis, eligibility analysis and other findings per the TIF Act; must pass "but for" test

Tax Increment Financing ("TIF")

Governance: Governed by City; Incremental revenues allocated to a Special Allocation Fund maintained by the City

Borrowing Authority: Financial Obligations secured by Special Allocation Fund and may be issued by the City; Obligations shall not be a general obligation of the political subdivision and cannot exceed 23 years; Obligations may only be payable out of any funds or properties other than those specifically pledged as security

What is TIF?

THE TIF CONCEPT

TIF is a **<u>public/private partnership tool</u>** that is **<u>an incentive to overcome development challenges</u>**.

TIF enables an Area to **<u>fund its own revitalization</u>** by **<u>using incremental (new) taxes</u>** to pay for certain eligible project costs

- Up-to 100% of incremental property taxes.
- Up-to 50% of incremental sales taxes.

Projects that are expected to bring “net new” tax revenues to Missouri may qualify for “Super TIF”.

TIF TERMINOLOGY

- Redevelopment Plan
- Redevelopment Project
- Redevelopment Area
- “Blighted Area”
- “Conservation Area”
- Redevelopment Project Area
- Payments in Lieu of Taxes (PILOTs)
- Economic Activity Taxes (EATs)
- Special Allocation Fund

“Blighted Area” Definition

(1) **"Blighted area"**, an area which, by reason of the predominance of insanitary or unsafe conditions, deterioration of site improvements, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, or welfare in its present condition and use;

“Conservation Area” Definition

(3) **"Conservation area"**, any improved area within the boundaries of a redevelopment area located within the territorial limits of a municipality in which fifty percent or more of the structures in the area have an age of thirty-five years or more. Such an area is not yet a blighted area but is detrimental to the public health, safety, or welfare and may become a blighted area because of any one or more of the following factors: dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of community planning. A conservation area shall meet at least three of the factors provided in this subdivision for projects approved on or after December 23, 1997. For all redevelopment plans and projects approved on or after January 1, 2022, in retail areas, a conservation area shall meet the dilapidation factor as one of the three factors required under this subdivision;

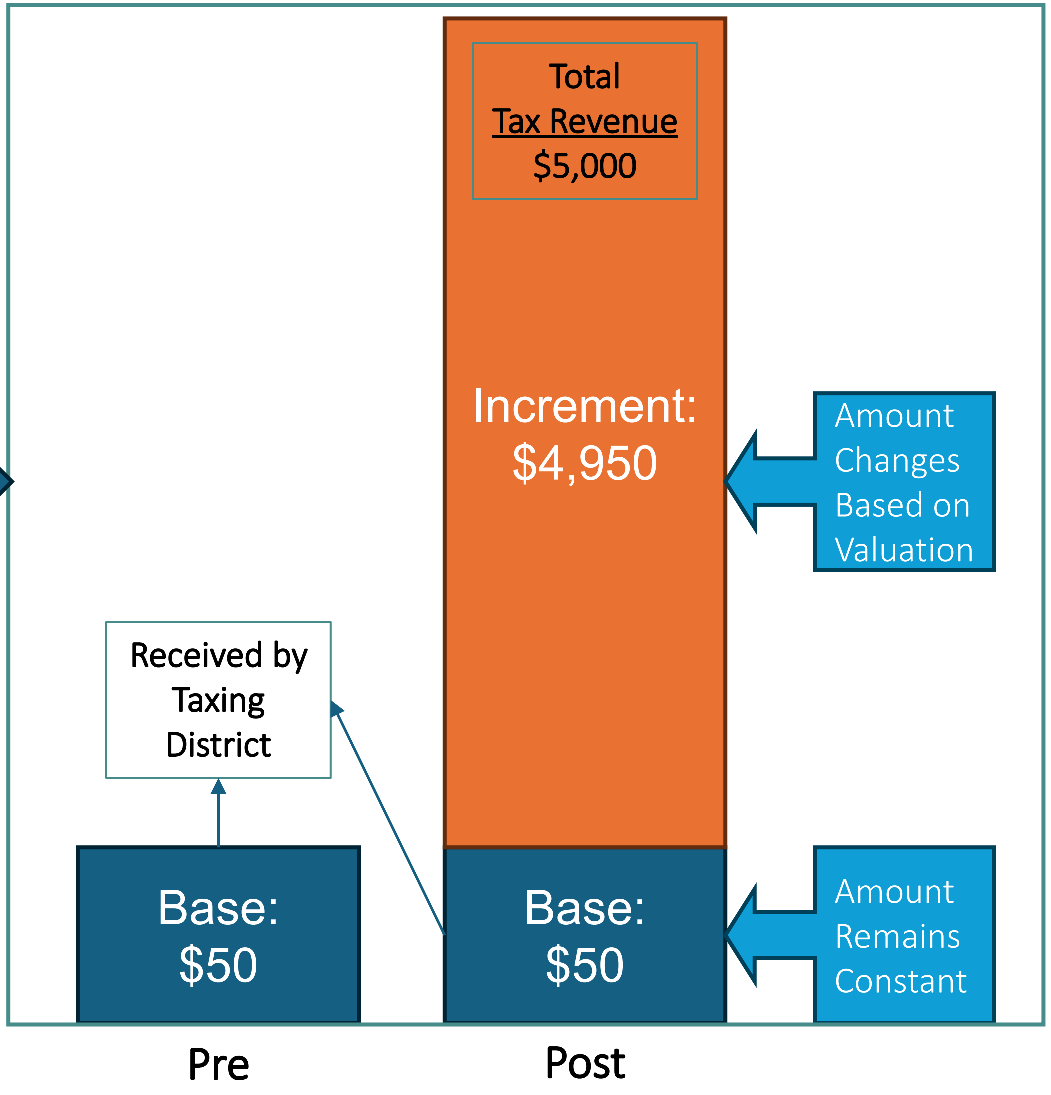
TIF: Property Tax Base and Increment (PILOTs)

Base

Property Assessed Value (Pre-Dvlp):
$1,000
Tax Levy:$5/$100 of Assessed Value
5%
Total Tax Revenue:
$50

Increment

Property Assessed Value (Post Dvlp):
$100,000
Tax Levy:$5/$100 of Assessed Value
5%
Total Tax Revenue:
$5000
Total Increment (PILOT's):
(Post-Dvlp Rev)-(Pre-Dvlp Rev)
($5000-$50)
$4950



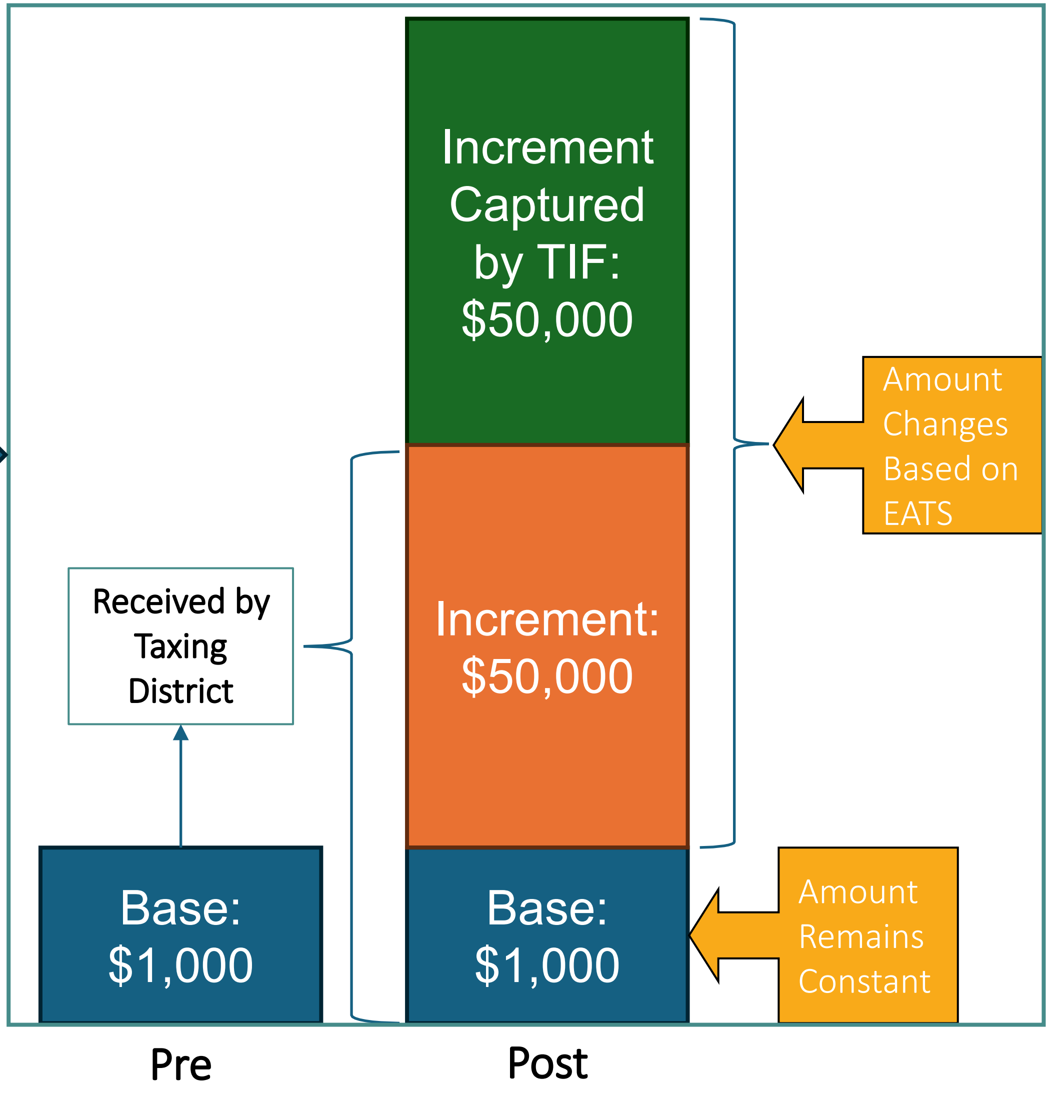
TIF: Economic Activity Tax Base and Increment (EATs)

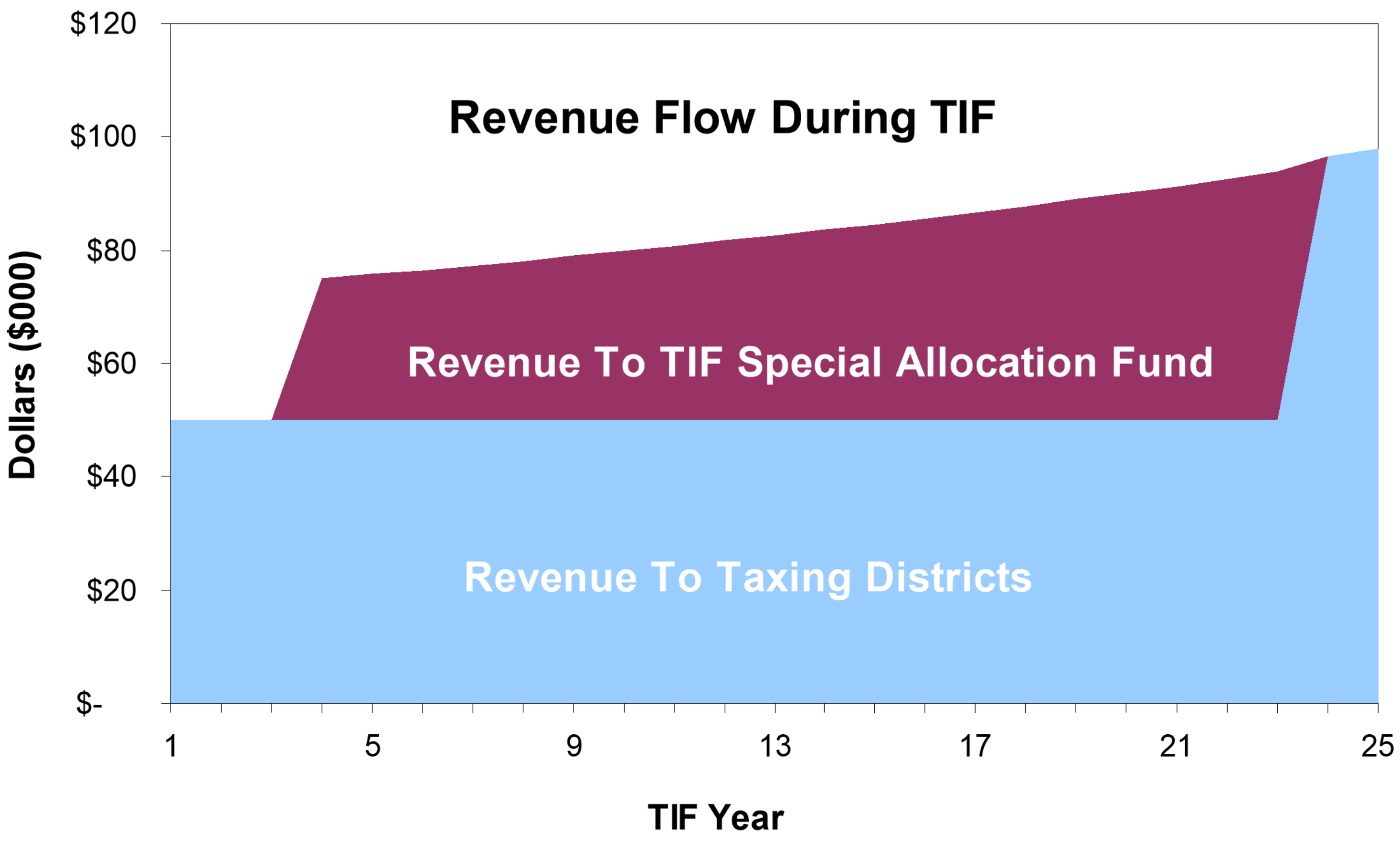
Base

EATS collected prior to TIF:
$1,000

Increment

Additional EATS generated from economic activities in the redevelopment area:
$100,000




Revenue Flow During TIF
Revenue To TIF Special Allocation Fund
Revenue To Taxing Districts
Dollars ($000)
$120
$100
$80
$60
$40
$20
$-
1
5
9
13
17
21
25
TIF Year

12

What is the TIF Process?

TIF COMISSION ESTABLISHED

This is an advisory body made up of representatives from affected taxing jurisdictions that makes recommendation to a governing body.

THE REDEVELOPMENT PLAN

Details required findings: “Blighted Area” or “Conservation Area”

The “but for” Test

Conformance with the Comprehensive Plan

Redevelopment Project must be approved within 10 years of Redevelopment Area designation/TIF approval.

THE COST-BENEFIT ANALYSIS

TIF Act defines this document as a “fiscal impact analysis” on all affected taxing jurisdictions showing the impact whether the Project is built with TIF or not built.

THE REDEVELOPMENT AGREEMENT

Binding agreement(s) between City and developer(s) outlining the obligations of both parties and the conditions for developing a property

TIF Pros and Cons

Pros:

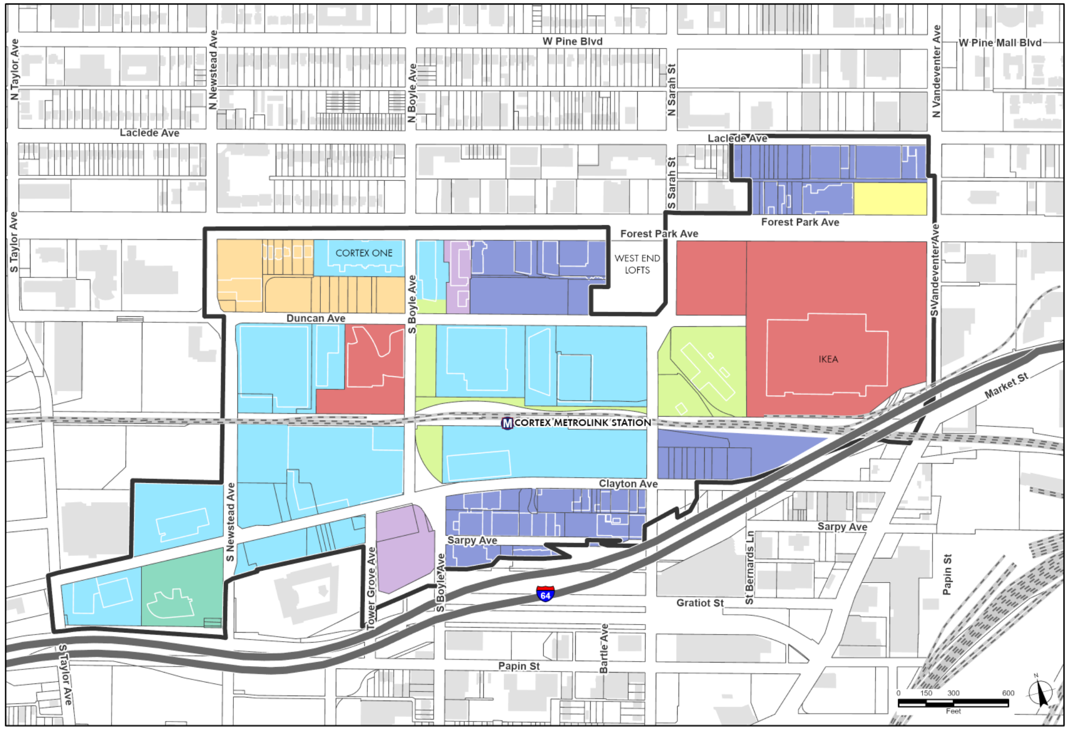
1. Public process
2. City can be in the driver's seat
3. Flexibility
4. Ability to monetize incremental revenues

Cons (or challenges):

1. Time period limitations
2. Requirement for a specific project often leads to developer-driven TIFs
3. Other taxing entities involved in TIF Commission

TIF Example-Cortex Innovation District

The Cortex Innovation Community is a vibrant, 200-acre hub of business, innovation, and technology integrated into St. Louis' historic Central West End and Forest Park Southeast neighborhoods.



Proposed Land Use

City of St. Louis, Missouri

PGAV PLANNERS

- Retail
- Open Space
- Hotel / Office / Retail
- Health Care
- Residential / Office / Retail
- Office / Lab / Research
- Office / Research / Residential
- Mixed-Use, Multi-Family Residential, Office, Lab / Research Space, Retail

Note: Structured parking utilized in all areas as needed

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Transportation Development District

Transportation Development Districts (TDD) (238.200-238.275 R.S.Mo.):

1. **Sources of Revenue:**
   1. Property tax not to exceed $0.10 per $100 assessed valuation or
   2. Sales tax not to exceed 1%;
   3. District may also levy tolls or special assessments for improvements benefiting the project
2. **Eligible Uses of Funds:** Transportation Infrastructure
3. **Formation:** By City or County, by voter petition, local transportation authority petition, property owner petition; must be approved by a majority of those voting

Transportation Development District

Powers & Limitations:

1. A TDD may lease or purchase and/or sell real or personal property necessary for its purposes.
2. May borrow money and issue bonds, notes, and other obligations.
3. May contract with local or federal agencies.
4. May generally act as necessary to accomplish its purposes consistent with the TDD Act.

Transportation Development District

Governance:

1. Managed by a district board with Local Authority oversight and MoDOT oversight for their right-of-way;
2. Board may consist of at least 5 nor more than 15 persons with one MODOT and one or more Local Authority advisors;
3. Election by voters or property owners required for approval of special assessment, tax or funding method

Borrowing Authority: District may contract and incur liabilities, may borrow money and issue bonds, notes and other obligations; May issue bonds payable from its revenues but may not exceed 40 years

Transportation Development District

Borrowing Authority:

1. District may borrow money and issue bonds, notes and other obligations;
2. Bonds, notes or other obligations may be paid from TDD revenues but such obligations may not exceed a term of 40 years.

TDD Pros and Cons

Pros:

1. Public process
2. Ability to monetize revenues
3. Multiple options for generating revenue
4. 40-year financing term

Cons:

1. Limited applicability of revenues only to transportation infrastructure projects

Community Improvement District

Community Improvement District (CID) (Section 67.1401, R.S.Mo.):

1. **Sources of Revenue:**
   1. Sales tax up to 1%.
   2. Special assessments approved by petition or any reasonable method of assessment.
   3. Taxes on real property and/or business license or approved by qualified voters.
2. **Eligible Uses of Funds:**
   1. Public capital improvements.
   2. Private capital improvements (located in a blighted area).
   3. Services (e.g., marketing).

Community Improvement District

Formation: By governing body of City, pursuant to submittal of a petition signed by a majority property owners by assessed value and number within the proposed CID.

Powers & Limitations:

1. Petition for district formation specifies area and duration of district.
2. Maximum rate of taxes.
3. Method and maximum rate of assessment.
4. Activities permitted in a “blighted area” are broader than those permitted in an area that is not subject to a “blighted area” determination.

Community Improvement District

Governance: Program managed by district board, with annual report to City; Board to consist of 5-30 members, appointed by City or elected by "qualified voters" of district, depending on petition; petition may identify original members; annual levy of taxes/assessments set by Board (within petition limits); District may be terminated by City, upon majority of property owners, by value and per capita

Borrowing Authority: Board may issue obligations payable solely from district revenues and assets pledged; District obligations are not general obligations of the district, unless approved by supermajority of voters in district. Limited to a term of 27 years.

CID Pros and Cons

Pros:

1. Public process.
2. Flexible applicability of revenues.
3. Flexibility with respect to revenue generation (i.e., sales tax, property tax, or special assessment).

Cons:

1. Limited term of 27 years.

Chapter 353 RSMo. Tax Abatement

Urban Redevelopment Corporations Law (Ch. 353, R.S. Mo.):

Mechanism: The City may authorize a 100% abatement of taxes paid on improvements in years 1-10 and a 50% abatement of taxes in years 11-25 on properties owned by the Corporation; the Corporation may accept grants or loans from government agencies.

Note: Districts providing emergency services may request reimbursement of up-to 100% of their property taxes abated.

Eligible Use: Clearance, replanning, reconstruction or rehabilitation of blighted areas, and the construction of such structures as may be appropriate

NOTE: CH 353 also requires that the governing body make a finding that the area in question is a "blighted area." The definition of "blighted area" in CH 353 is the same as defined in the TIF Act.

Chapter 353 RSMo. Tax Abatement

Formation:

1. Creation of an Urban Redevelopment Corporation and registration with the Secretary of State.
2. The articles of agreement or association shall be prepared, subscribed and acknowledged, and filed in the office of the secretary of state pursuant to the general corporations laws of the state CH 353
3. Application to the City for the authorization of a Development Plan
4. Approval requires a public hearing and the granting of rights and powers by City via ordinance and consistent with Chapter 353.

Chapter 353 RSMo. Tax Abatement

Powers & Limitations:

1. Corporation can only operate in an area with a Development Plan.
2. Powers of the Corporation must be authorized by the governing municipality.
3. Tax abatement must be authorized by the governing municipality.

Chapter 100 RSMo. Tax Abatement

Property Tax Abatement Mechanism: A municipality may effectuate tax abatement through the purchase or construction of a development project and then leasing the project back to a business. In this way, since the property is owned by the municipality, it is exempt from property taxes however a payment in lieu of taxes may be requested from taxing districts that provide emergency services.

Sales Tax Abatement Mechanism: Section 144.062 RSMo provides for the exemption of sales and use taxes paid on construction materials for certain projects. This action requires a valid exemption certificate and a letter from the municipality.

CH 353 Tax Abatement Pros and Cons

Pros:

1. Public process.
2. The ability on the part of the City to impose Payments In Lieu of Taxes (PILOTs) to moderate the amount of tax abatement provided by the statute.
3. Common definition of "blighted area."
4. Statute permits 25-years of tax abatement, but the City can permit a shorter timeframe if desired.

Cons:

1. Abatement also addresses commercial surcharge tax revenues.

Tax Abatement + CID + TDD

Local Example – Olia Village, Creve Coeur, MO

Olia Village – Original Incentive Request

1. Chapter 353 Tax Abatement for 25 years measured from the start of the calendar year following substantial completion of the first portions of each phase as follows:
   a. 95% abatement of incremental value years 1-5;
   b. 75% abatement of incremental value years 6-10
   c. 50% abatement of incremental value years 11-25
2. Community Improvement District Special Assessment in coordination with tax abatement
3. Community Improvement District 1% Sales Tax for up-to 27 years
4. Transportation Development District 0.5% Sales Tax for up-to 40 years
5. Chapter 100 Sales Tax Exemption on Construction Materials.

Olia Village – Final Incentive Structure

1. Real Property Tax abatement, as provided under Chapter 353 of the Missouri Revised Statutes.
   a. 75% of real property taxes abated years 1-10 for each of the 17 lots starting upon completion of development of each lot, exclusive of land value and improvements as of 2023 (the "base year")
   b. 50% of real property taxes abated years 11-25
   c. Notwithstanding the above, there will be no tax abatement on any lot upon which townhomes or other single-family residences are constructed
2. Formation of a Community Improvement District (CID) – 1% sales tax for up to 27 years and a special assessment in coordination with the proposed tax abatement
3. Formation of a Transportation Development District (TDD) – 0.5% sales tax for up to 40 years
4. Sales and use tax exemption on qualified building materials for construction of site work, as provided under Chapter 100 of the Missouri Revised Statutes

Olia Village – Incentive Negotiation

Series of meetings and rounds of review:

- Internal City Review – by Staff and Council
- Outside Review – by PGAV
- Stakeholder Feedback – from School District and others
- Revised Requests from Developer

Results:

- Reduced Tax Abatement 20% in the first five years
- Removed residential townhomes from tax abatement

Incentive Review Criteria

1. Considered based on demonstration of need.
2. Targeted to address the need utilizing the appropriate incentive program.
3. Service Provision - Does the incentivize development positively impact the ability of the City and other jurisdictions to provide services? This includes emergency services.
4. School District - Will the project house students? If so, will it generate sufficient tax revenue to support education costs?
5. Conformance with the Comprehensive Plan.
6. Consider the amount of incentives as a percentage of total development costs.
   1. Average amount of support is around 17%
   2. Communities typically hold a threshold of support based on the percentage of total development costs.
7. No financial risk or liability to the City.
8. Performance guarantees.

Incentive Review Process

1. Information gathering: Assess the Need
2. Understanding the project from the developer's perspective
   - Development costs
   - Return on investment
   - Use of incentives - pay-as-you-go or financial obligations?
3. City's perspective
   - Impact on tax revenue and ability to provide service
   - Coordinating with overlapping jurisdictions (e.g., school, County, fire)
   - Policy precedents
   - Conformance with the community's plan
4. City to engage planning consultant and legal bond counsel to assist in the review and analysis of any incentive requests

Timing: Review of incentive requests happens in tandem with zoning applications for Council review after P&Z Commission recommendation has been received.

Public review/hearing and comments as part of any ordinance to approve incentives (these may be required by statute based on the specific incentive program)

Next Steps

Comprehensive Plan Update

- Completion and adoption in December 2025-January 2026 by P&Z

Incentive Policy - Principles for the use of incentives to support development

- Presented to Council for consideration – January