

SHREWSBURY TIF COMMISSION

Tax Increment Financing Commission Meeting
Kenrick Plaza Redevelopment Project
October 5th, 2011

A Tax Increment Financing Commission Meeting was held at 6:30 p.m. this 5th day of October, 2011 in the Aldermanic Conference Room of the Shrewsbury City Center.

Commissioners from the County in attendance:

Michael Bardot.....St. Louis Co. Department of Highway & Traffic
Glenn Powers.....St. Louis Co. Department of Planning
Anne Klein.....Director of Energy Sustainability
Michael W. Jones.....Senior Policy Advisor to the County Executive
Pam Reitz.....St. Louis Co. Department of Administration

Commissioners appointed by cities in the County that have TIF districts in attendance:

Dan Lowery.....Chairman of TIF Commission
Tim Geraghty.....Vice Chairman of TIF Commission
Jim Brady.....City of Shrewsbury TIF Commissioner

Commissioners appointed by school districts in the County in attendance:

Michael McNeil..... President Affton School District Board of Education/Secretary of TIF
Commission
John Brazeal.....Chief Financial Officer for Affton School District

Commissioners from other affected Taxing Districts in attendance:

Patrick Dougherty..... Metropolitan Zoological Park Museum District

Commissioners from the County not in attendance:

Margaret Hart-Mahon.....St. Louis Co. Counselor's Office

Present from the City (Shrewsbury) in attendance:

Mayor Felicity Buckley.....Mayor
Jonathan Greever.....Director of Administration
Mark Grimm.....City Special Counsel
Joy Howard.....City Financial Consultant
John Brancaglione.....PGAV-Vice President (Planning and Land Use consultants)
Andy Struckhoff..... PGAV-Project Manager
Andrew Murray.....PGAV-Project Planner

Present from the Developer (G. J. Grewe, Inc.) in attendance:

Gary Grewe..... President of G.J. Grewe Inc., Commercial Real Estate
Bill Appelbaum.....Financial Director, G.J. Grewe
Rich Obertino.....TRI Architects
Jim Mello.....Armstrong Teasdale, Developer TIF Counsel

Roll Call

Director Greever opened the meeting and commenced with the roll call. A quorum was present.

Approval of Minutes

Chairman Lowery announced that the first item on the agenda was the approval of minutes of the September 14th, 2011 meeting of the Tax Increment Financing Commission of the City of Shrewsbury, Missouri. He opened the floor for discussion. Secretary McNeil stated that he had advised Mr. Greever that the minutes had reflected minor grammatical changes. Mr. Greever confirmed that the minutes had been corrected to address the above-referenced mistakes. There being no further discussion, a motion was made by Secretary McNeil to pass the minutes of September 14th, 2011 as amended. Commissioner Brady seconded the motion and it was unanimously approved.

Chairman Lowery announced that the next item on the agenda was the approval of minutes of the September 22nd, 2011 meeting of the Tax Increment Financing Commission of the City of Shrewsbury, Missouri. He opened the floor for discussion. There being no discussion, a motion was made by Commissioner Brazeal to pass the minutes of September 22nd, 2011 as submitted. Commissioner Bardot seconded the motion and it was unanimously approved.

Discuss redevelopment plan and cost benefit analysis

Chairman Lowery advised that the next item on the agenda was the discussion of the redevelopment plan and the cost benefit analysis for Kenrick Plaza. PGAV Project Manager Andy Struckhoff took the floor and stated that he would provide a brief overview of both the redevelopment plan and the cost benefit analysis. He began by defining Upper Kenrick Plaza as the TIF area and Lower Kenrick Plaza as the area not captured by tax increment financing. Mr. Struckhoff went on to state that the redevelopment plan started with the City engaging PGAV in a planning process to analyze the different scenarios in redeveloping Kenrick Plaza along the Watson Road corridor. He further stated that as a result of this planning process, the City issued a request for proposals from local developers with respect to redeveloping the Kenrick Plaza site. Mr. Struckhoff then advised that from this solicitation the City had received two responses, one from the Developer and one from Dierbergs. He continued by stating that through this public process the City chose the Developer's plan for redevelopment.

Mr. Struckhoff next advised the Commission that the assistance of TIF seemed necessary since the site had significant costs associated with the demolition of all existing infrastructure, grading constraints, storm water management, and construction of utilities which made it less likely to experience growth or redevelopment through an investment of a private enterprise. He further advised that to establish the Kenrick Plaza Redevelopment under the TIF Act it had to meet one of three statutorily provided qualifying criteria. He stated that it qualified for one of these designations, that of a Blighted Area. Mr. Struckhoff then overviewed those qualifying factors.

Mr. Struckhoff stated that the project in the TIF district was approximately \$48.9 million, that the lower Kenrick Plaza addition was an estimated \$7.9 million, and therefore the total cost of the redevelopment area would be approximately \$56.7 million. He then stated that the total public assistance could be equal to \$20 million.

Mr. Struckhoff next stated that sales projections were anticipated to be \$87.8 million in the first 12 months, with an annual average growth of 1%. Mr. Struckhoff then advised that the assessed value projections currently for the redevelopment area were \$3.6 million which equated to a market value of \$11.3 million. He added that the redevelopment would adjust this assessed valuation to \$5.6 million equating to a \$17.7 million appraised market value. He further noted that the market value was assumed to grow 3% after full development at each reassessment on odd-numbered years.

Chairman Lowery asked if there was any discussion with respect to the redevelopment plan and cost benefit analysis.

Commissioner Brazeal noted that in the no build scenario the calculations did not attribute any personal property taxes to the Affton School District, and asked if the differences shown were inflated.

Mr. Struckhoff responded that he didn't believe that the figures were inflated, and if there were any personal property taxes generated in the Affton School District area they would be very negligible.

Commissioner Reitz stated that the cost benefit analysis reflected estimated revenues of around \$81 million based on a projection of \$600 per square feet. She went on to ask how the \$600 per square feet figure was calculated.

Mr. Struckhoff stated that this figure was derived from the typical sales of a Walmart Super Center

Commissioner Reitz then stated that her financial advisor advised that a typical sales of a Walmart was actually \$425.00 per square feet.

Mr. Struckhoff answered that the figures were different due to the footprint of this store being 150,000 square feet compared to one at 200,000 square feet.

Commissioner Reitz then asked for clarification of why the information presented showed an increase for the county in sales tax, when some of this will be taken from the county.

Mr. John Brancaglione, PGAV Vice President, answered by stating that this Walmart would certainly capture some sales from St. Louis County that may be going elsewhere, but there will be also a very high proportion of sales that will come from the City of St. Louis.

Discuss Policies and procedures for public hearing

Chairman Lowery stated that the next item on the agenda was the discussion of the draft policies and procedures for the public hearing. He then asked Mr. Grimm to take the floor to review them. Mr. Grimm stated that a one page handout would be provided to the general public informing them of the purpose of the public hearing as well as a list of procedures that would need to be followed throughout the hearing. Mr. Grimm then quickly overviewed these draft policies by stating that an individual who wanted to address the TIF Commission would first need to complete a sign up sheet that included their name and address for record keeping purposes, and then adhere to a 2 minute oral comment time period which could be subject to extension by the Commission. He went on to advise the Commission that they would need to approve these drafted policies and procedures so they could be distributed at the public hearing. Chairman Lowery then asked Mr. Grimm when this draft needed to be approved. Mr. Grimm responded that the Commission could approve this draft at that night's meeting or at a subsequent meeting. Chairman Lowery asked if there was any further discussion on approving the draft of the policies and procedures for the Public Hearing. Commissioner Brazeal stated that the two minute time restriction for oral comments was not sufficient to address an individual or organization's concern to the Commission and suggested that the time restriction be changed to 5 minutes. There being no further discussion Commissioner Brazeal made a motion to approve the amended policies and procedures of the TIF Commission Public that would increase the general public or any organization's oral comments to a 5 minute time restriction. Commissioner Brady seconded the motion and it was unanimously approved.

Set Date for the TIF Commission Public Hearing

Chairman Lowery advised that the next item on the agenda was to reset the date for the TIF Commission Public Hearing. He then proposed that the public hearing date for the TIF Commission be November 30th, 2011 at 6:30 p.m. and quickly polled the Commission for general consensus. Chairman Lowery asked if

there was any other discussion. There being no discussion, Commissioner Powers made a motion to set the Public Hearing for the TIF Commission meeting at Shrewsbury City Center on November 30th, 2011 at 6:30 p.m. Commissioner Reitz seconded the motion and it was unanimously approved.

Old Business

None

New Business

Chairman Lowery asked Mr. Grimm to define the role of the TIF Commission. Mr. Grimm took the floor and advised the Commission that statutorily their job was to recommend, with respect to the submitted redevelopment project plan, that the City's Board of Aldermen should adopt or not adopt tax increment financing with this project. He further stated that the City would be sending to the Commission via an email two different forms of resolutions for the Board of Aldermen that would reflect a recommendation to adopt or not adopt the tax increment financing for this project. Mr. Grimm also advised that the Commission had the option to give further recommendations to the Board of Aldermen. In ending, Mr. Grimm stated that statutorily, the resolution and any recommendation could be given the night of the public hearing but no later than 30 days from the set public hearing date.

Commissioner Brazeal advised the Commission that he had distributed the one page summary of a 2011 study by EWG (East West Gateway Coordinating Council) highlighting critical points of tax increment financing in this region.

Commissioner Reitz asked Chairman Lowery if the Commission would have the opportunity on the evening of the public hearing to ask additional questions. Chairman Lowery confirmed that the Commission would have the opportunity to ask further questions on the evening of the public hearing.

Commissioner Brady next asked if the retaining wall at the Kenrick Cinema will be addressed within the Kenrick Redevelopment Project Plan. The Mayor and G.J. Grewe, Inc. both advised that they would answer that question at the public hearing.

Commissioner Powers requested that at the public hearing the Commission be provided a copy of the existing site plan as well as the new site plan for the Kenrick Redevelopment Project Plan, in order to better understand how the existing blight conditions would be addressed. Mr. Grimm confirmed that this would be provided to the Commission on the evening of the public hearing. Commissioner Powers also suggested that the Commission set an additional meeting prior to the public hearing to further address questions regarding the cost benefit analysis.

Commissioner Reitz concurred with Commissioner Powers by also stating that more information was needed to explain the financing, since there was no details behind the high level dollar amounts mentioned in the cost benefit analysis.

Commissioner Jones further supported Commissioner Powers by reminding everyone that this further detail was needed due to the Commission's public responsibility. He went on to state that this information should be discussed prior to the public hearing, since that meeting was an opportunity for the public to ask their questions or voice their concerns.

Mr. Grimm then stated that the Commission could have a meeting prior to the public hearing to discuss any financing concerns. He also stated that this meeting would be more productive if the Commission submitted their questions prior to the meeting, so that PGAV could come prepared with answers.

Mr. Powers agreed that the Commission should submit their questions in advance and made a motion to schedule another meeting prior to the public hearing to discuss them in detail with PGAV and the City's financial advisors.

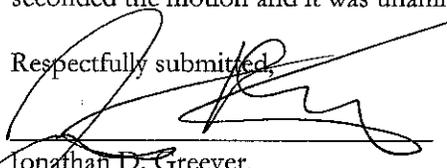
Mr. Mello then suggested that the Commission utilize the date of November 9th that had been previously approved as the public hearing for this further discussion.

Chairman Lowery quickly polled the Commission for general consensus of this above-mentioned date as well as instructing the Commission to forward all their questions prior to this scheduled time to the attention of Mr. Greever. There being no discussion, Commissioner Powers made a motion to set the next TIF Commission meeting at Shrewsbury City Center on November 9th, 2011 at 6:30 p.m. Commissioner Reitz seconded the motion and it was unanimously approved.

Adjournment

Commissioner Jones made a motion to adjourn the TIF Commission meeting. Commissioner Geraghty seconded the motion and it was unanimously passed. The TIF Commission meeting adjourned at 7:34 p.m.

Respectfully submitted,



Jonathan D. Greever,
Director of Administration/City Clerk

ATTEST:



Michael McNeil
TIF Commission Secretary