

CHAPTER

7



Implementation Strategy



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CHAPTER 7

Implementation Strategy

Market Positioning for Future Development

Regional Market

Large infrastructure investment lies adjacent to and contiguous with the City of Woodson Terrace. However, the City has no direct access to any of these transportation amenities except along Natural Bridge Road serving as a frontage road. In order to attain public and private investment and provide long-term economic sustainability in the City of Woodson Terrace, solutions need to be developed that provide access to major infrastructure investment around the City. Without direct and improved access, the prospect of new and varied development will be limited and the pace of investment slowed.

Potential solutions pertaining to regional infrastructure discussed in Chapter 5: Planning For Future, include the following:

- Comprehensive I-70 study
- MetroLink shuttle
- New MetroLink route
- Lambert St. Louis Airport shuttle
- Creative signage along St. Charles Rock Road

To plan for future development and optimize land uses and values in the community, access to infrastructure needs to be enhanced and connections to the airport and MetroLink improved. Any developments that are currently planned for the City should be considered short-term steps toward real growth potential. Valuable long-term growth requires major infrastructure enhancements between Lindbergh Boulevard and I-170, expansion of MetroLink to the south, and implementation of an efficient shuttle service to move people around within the local market.

Local Market

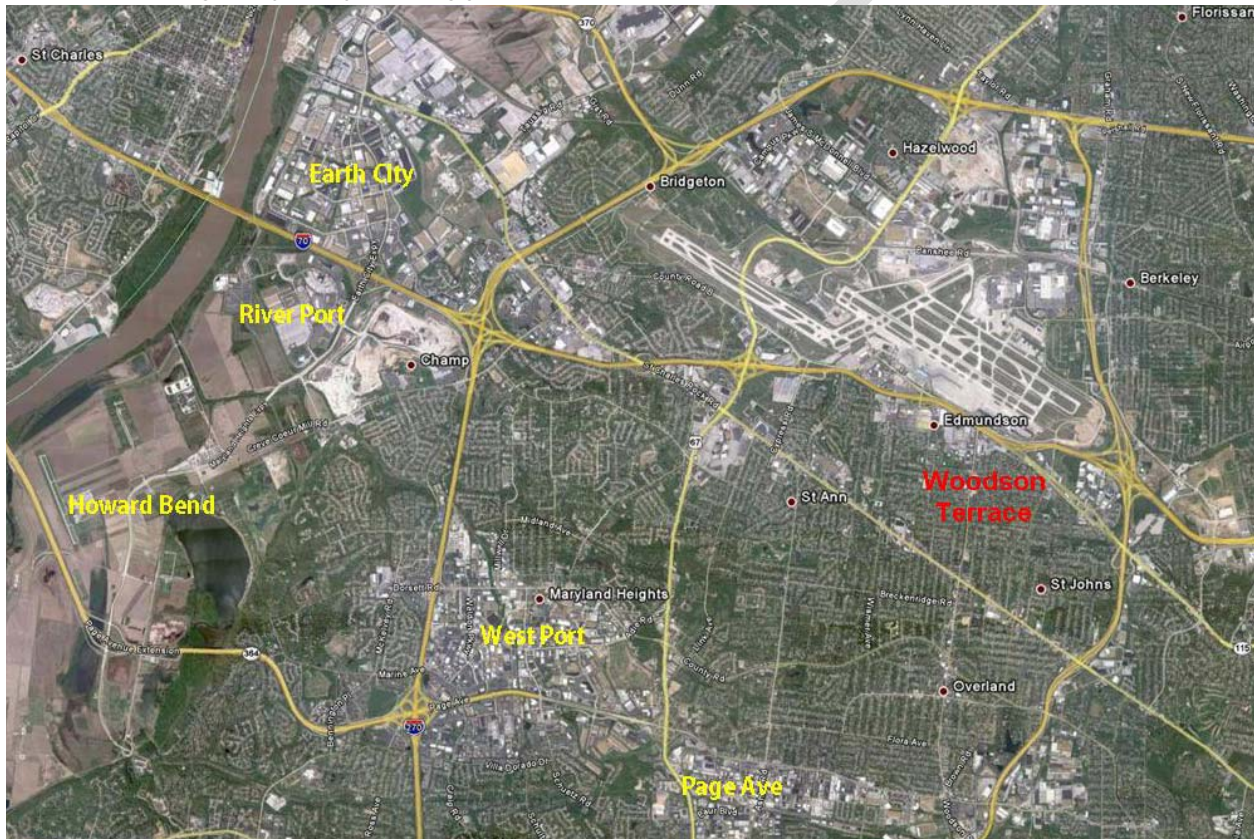
Commercial and warehousing development has typically followed highway systems within the local market around the City. These development patterns are concentrated adjacent to highway interchanges and some are part of planned urban development concepts. Others have developed based on market demand and critical massing of certain types of land uses.

In general, highway access enhances and in most cases dictates development patterns. In looking at the local commercial and warehouse market, it is also evident that although the airport should attract adjacent commercial/warehouse development, larger development has occurred miles from the airport due in part to highway configurations. There are five commercial and warehouse development areas

within 10 miles of the I-70–Natural Bridge Road (Pear Tree Lane) interchange. They distribute services and products to market and accommodate access to workers and visitors as follows (See Exhibit 7-1):

- Earth City – approximately 8 miles from interchange – relies on Highway 70 and the Earth City Expressway
- Riverport – approximately 5 miles from the interchange – relies on I-70 and the Maryland Heights Expressway
- City of St. Louis Northport Industrial area – approximately 10 miles from the interchange – relies on I-70 and Broadway
- Westport – approximately 8 miles from the interchange – relies on Highway 270
- Page Avenue/I-170 Industrial Area – approximately 8 miles from the interchange – relies on I-170 and Page Avenue

EXHIBIT 7-1: LARGE INVESTMENTS IN THE REGION.



Source: Google, CH2M HILL

Airport-related development that has occurred within the city limits of Woodson Terrace are associated with the warehousing of automobiles and more *service to airport*-driven uses rather than *consumer to service*-type development. And although there are hotel and motel developments within the city limits, these uses are destination driven, not impulse driven. Due to infrastructure configuration and limited access, proximity to the airport has not facilitated unique, mixed-use development, nor has it enhanced future development options within the local marketplace.

Future long-term planning will require the agreement and participation of local and federal agencies and elected officials to facilitate infrastructure investment, effect real change, and stimulate economic growth around the airport. Working successfully with these entities will require a plan of vision to convey the importance new infrastructure investment and the impact that investment will have, not only on the City of Woodson Terrace but the entire St. Louis region.

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Development Phasing

Immediate Commercial Development Options — Natural Bridge Frontage

Immediate development options are recommended to be associated with the growth and potential redevelopment of existing investment in the City. Commercial development has occurred primarily along the Natural Bridge Road frontage and, as mentioned, is generally associated with automobile rental and storage associated with land travel demands created by the airport and airport patrons.

Hotel and motel development has also been significant along Natural Bridge Road due to their destination-driven market, again related to airport travelers. These businesses have acquired large parcels of land and appear to have given little thought to the conservation of land or the value that is created by dense development.

An aerial view of the frontage along Natural Bridge Road shows the ratio of open, surface parking lots to building sizes. (Appendix 7-1) contains a list of land parcels and owners and a map of this area. This list is pursuant to information available from St. Louis County records as of the date of this document and may be subject to change at any time. Future development strategy and implementation activities will require timely research and documentation of this information.)

Future development, long and short term, needs to focus on the value that can be created along Natural Bridge Road and the increased economic opportunities available to Woodson Terrace and neighboring cities by consolidating parking and providing additional development sites for commercial and retail investment. This concept will need the cooperation of land owners and the cities' representatives working together to develop an investment strategy allowing for the reciprocal use of land. City policies related to development must be open and adaptive to accommodate new options that may evolve from this strategy.

Zoning for the city's development vision should not be tied to a particular picture of how the city looks, but instead grounded in how the city will work.

Donald L. Elliott (Denver city planner), A Better Way to Zone: Ten Principles to Create More Livable Cities (Island Press, 2008)

Creating future development options associated with these land uses will be dictated by the following:

- Availability of land
- Willingness and agreements among land owners and the City to increase density and land uses within existing locations
- Identification of underutilized parcels
- Implementation planning of the land adjacent to the Natural Bridge Road frontage
- Access modification to allow for internal circulation on larger sites
- Policy changes associated with the future land use plan for increased density and mixed uses
- Creation of a development strategy that can be efficiently and effectively introduced to affected governmental entities such as St. Louis County, Missouri Department of Transportation (MoDOT), Metro, and elected officials at local, and state levels

- Availability of funding including joint venture partnering among present land ownership, the City, public agencies, and private funding resources

The solution to future development opportunities in the City of Woodson Terrace is associated with the cooperative efforts of land owners, adjacent municipalities, and the City of Woodson Terrace to optimize land uses, increase density and work cooperatively with public agencies to put forth a plan (the vision) for infrastructure improvements and the solicitation of various means to fund those improvements.

It would benefit the City of Woodson Terrace and parties to any agreement (other municipalities and/or land owners) to work with professionals regarding land planning as well as strategic planning to carry out concepts discussed in this document. Professional services can bring the experience, contacts, regional understanding, and expertise needed to assist in phasing development, leading to long-term success and development options. Assistance with the phased planning will yield the focused, coordinated approach needed throughout the process.

Examples of the types of additional consulting services may include, but are not limited to the following. They do not represent the full spectrum of expertise and strategic planning needed to implement phased redevelopment.

- Market-driven planning, implementation strategies, and policy recommendations
- Public engagement
- Engineering
- Legal (policy, Intergovernmental agreements, land transactions)
- Funding coordination (negotiations and management of terms)
- Bond sales and management
- Management of investments (such as city- or joint venture-owned parking garages)

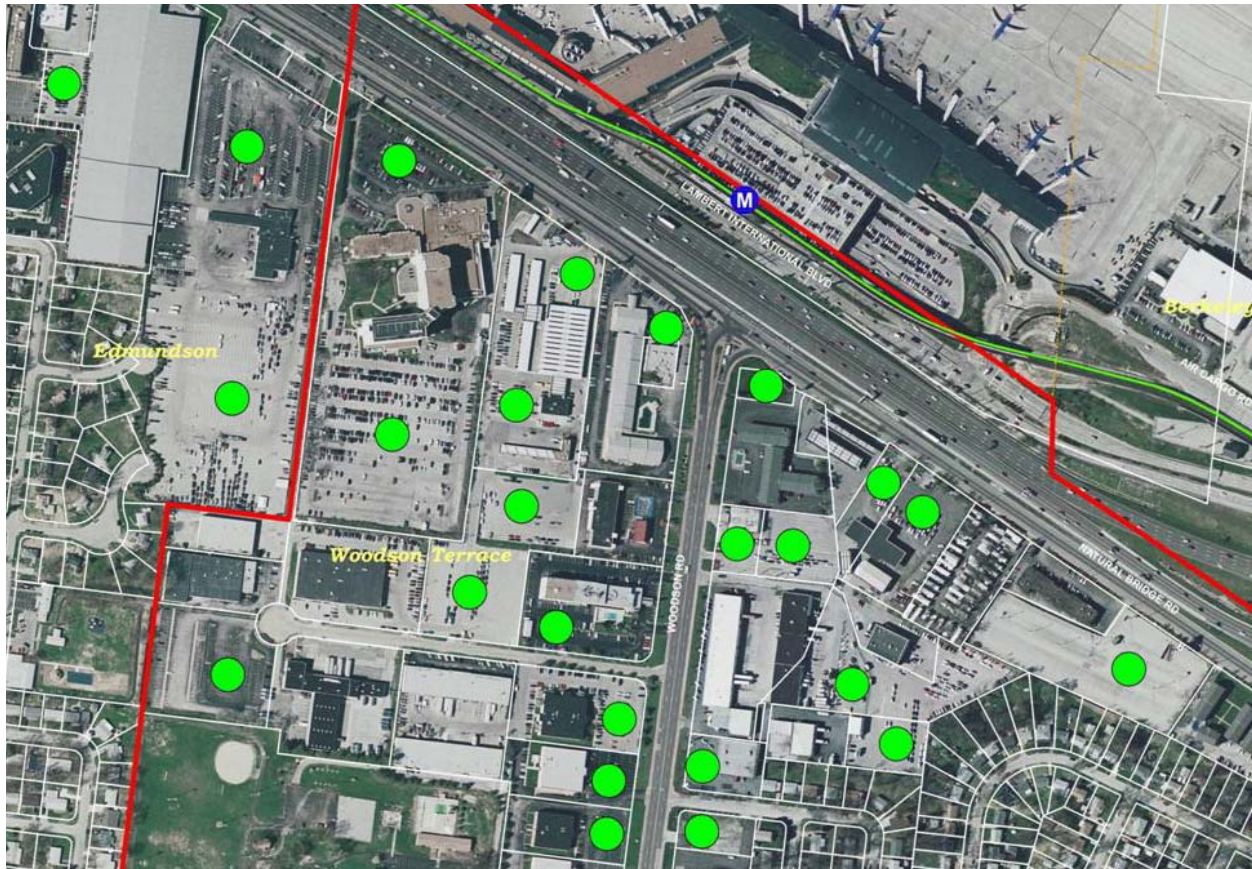
Implementation and redevelopment along Natural Bridge Road will be accomplished by the relationships the City of Woodson Terrace creates based on a vision for the future. Negotiations with landowners, municipalities, agencies, and politicians will need to be prioritized and meetings phased within a defined strategy of building consensus among the parties. A strategy should be developed based on the City's understanding of key parties interested in new investment, optimization of land uses, and participation in the process. Building on this foundation of support, contacts will expand to include other parties that can contribute to the renewal process.

The green dots on Exhibit 7-2 illustrate acres of land used for vehicular storage and the lack of density now present within the City's prime commercial area. By working with land owners to consolidate vehicular warehousing, many acres may become available for denser, higher valued use of the land. The creation of a decked or structured parking facility financed and shared by multiple owners, including the City, is one recommendation for an initial project. This approach gives the City an opportunity to set the stage for later phases related to redevelopment of the entire area, including the following:

- Developing cooperative relationships with land owners
- Facilitating reciprocal use of land in the development of parking structures, access, and internal circulation
- Establishing a united group of stakeholders when dealing with state and federal agencies

- Funding for implementation planning of the entire Natural Bridge Road frontage area

EXHIBIT 7-2: LAND USED FOR VEHICULAR STORAGE



Source: St. Louis County GIS, CH2M HILL

As property becomes consolidated and denser land uses are implemented, it becomes possible to look at internal circulation and the creation of smaller parcels of land that typically are more valuable for destination-type retail such as banks, small office buildings, and entertainment venues. A grid public street network would connect the redevelopment areas to the community and existing transportation network. Implementation should also focus on connecting to MetroLink and shuttle stations with dense commercial nodes adjacent to the station to supplement economic development opportunities.

In summary, the strength of development options lies with the land owners and the City and their ability to cooperatively plan and implement consolidation of existing vehicular storage to increase density, land uses, circulation, access, and land values in the area.

Core Commercial Development Options- Woodson Road

The Future Land Use Map (Map 5-1) defines an area within the core of the community for commercial development consistent with existing development patterns in the area. Small strip centers line Woodson Road and contain a variety of retail and service tenants supported by the local market. There are high vacancy rates at these sites due to economic conditions and lack of access to wider local and

regional markets. Tenancy today is supported by nearby residential areas, hotel/motel occupants, and Columbia College students. Tenancies in these spaces include, but are not limited to the following :

- Subway
- U.S. Customs Office
- Columbia College
- Airport Billiards
- Unite Here
- CRS Printing
- Howard's Car Wash
- Catholic Health Association
- Yesterdays Restaurant
- State Farm Insurance
- 7-Eleven
- Las Palmas Mexican Restaurant and Las Palmas Mexican Bakery

In a broader market sense, there is a high rate of vacancy due to lack of visibility and accessibility from larger marketplaces within the region. The location of the dated buildings, tenant spaces, and properties and their consequent lack of market share growth options do not attract new tenants and modern retailers.

It is recommended that a new strategy be applied to this area to stimulate interest and long-term economic sustainability in a neighborhood retail area. Increased population, newer space, and commercial/retail tenancy designed to meet the needs of the existing and newer populations are recommended. It is also important to physically and with improved tenancy link this location with development along the Natural Bridge Road frontage which can increase the market share and encourage pedestrian movement along Woodson Road. Providing interesting restaurants and entertainment venues will attract hotel occupants as well as local consumers. Improved streetscape and Woodson Road corridor improvements can make the journey on foot or by automobile more pleasurable and strengthens the image of Woodson Terrace, as well as linkage between Natural Bridge and Woodson Roads.

Exhibit 7-3 illustrates a redevelopment concept based on development of the following market dynamics:

- Cooperative land-use planning among existing land owners
- Increased retail/commercial density
- Introduction of senior/assisted living development
- Consolidation of land to accommodate new development needs
- Improved streetscape and corridor public amenities
- Creation of a redevelopment district to oversee public and private development within a designated mixed use development district

EXHIBIT 7-3: CORE COMMERCIAL DEVELOPMENT AREA



Source: St. Louis County GIS, CH2M HILL

The creation of a designated development area, planned and implemented as a cooperative investment with existing land owners and future investors can generate improvements within the local marketplace that can increase land values throughout the City, increase commercial investment opportunities, and provide a long-term economic sustainability for the community. As a designated development area, each land use may be financed as a stand-alone investment while the district, including infrastructure, may be financed separately. New development may then be assessed its pro rata share of infrastructure costs as it occurs.

Finance tools to be considered for designated development area projects include Community Investment Districts (CIDs) and Tax Incremental Financing (TIF). Other creative uses of public and private finance options may include contribution of land by owners, use of additional public funds in combination with private investment (including local banks), and the sale of bonds.

An important aspect of this type development is its relationship to adjacent commercial and residential development and the blending of land uses and optimization of the land to create a stronger, denser development options throughout the City to assure long-term growth and economic wellbeing.

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Consolidation of Market Strengths

Although it is tempting to look at various sectors of the City separately, there are compelling reasons to consolidate the planning, phasing, and finance strategies along Natural Bridge and Woodson Roads. The core development area will be very difficult to redevelop as a traditional commercial/retail strip center area. The location is isolated from the greater local and regional markets and development trends have abandoned strip centers for a more traditional neighborhood development with buildings close to the street and parking at the rear of buildings.

There are greater possibilities for successful redevelopment by including elderly, assisted living development as part of the overall development strategy. This strategy represents a significant financial investment coming to the community, bolsters the local market, and increases land values to adjacent properties. Planned elderly communities also attract tenancy and services that are appropriate to the larger marketplace, as well such as pharmacies, restaurants, medical buildings, banks, post offices, and other services that are suitable to the vision of a walkable community.

EXHIBIT 7-2: LAND USED FOR VEHICULAR STORAGE



Source: St. Louis County GIS, CH2M HILL

The most viable, market driven approach for development along Natural Bridge and Woodson roads is achieved by the consolidation of development planning that considers existing development as one large redevelopment area. Exhibit 7-4 illustrates the impact and opportunities that become available in the long-term planning associated with this area. Consolidation of land uses, increased density, improved internal circulation, and the addition of senior and multi-family residential development become part of a long-term planning strategy appropriate to this area and economically sustainable.

Broadening the development area increases the political capital of the City by:

- Facilitating a comprehensive plan that includes mixed-use development
- Developing the cooperative participation of land owners and adjacent municipalities
- Leading efforts to reconfigure major infrastructure
- Creating financial partnering opportunities among private and public entities
- Creating a redevelopment site of regional market proportions adjacent to the airport
- Exerting economic impact beyond the city limits to enhance the regional marketplace

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Short-term and Long-term Implementation Strategies

Step 1 – Woodson Terrace Leads the Redevelopment Efforts with a Vision for the Future of the Area

It is important for the City to create a vision that not only is within its own municipal boundaries, but that integrates with the visions of adjacent cities. Locations of infrastructure, access limitations, and land-use transitions between communities are important considerations of infrastructure design. By cooperatively creating a vision and planning with adjacent cities, Woodson Terrace can more definitively control its own destiny and provide much needed market access to future investment strategies (both short and long term). All statutory funding sources require a plan demonstrating the location and land uses proposed for development by the municipality.

Following adjacent communities' concurrence for a cooperatively planned vision, an intergovernmental agreement can be executed that defines the affected areas and the roles of the cities participating in the agreement. This cooperative effort strengthens the City's role as initiator. But the combined efforts of multiple cities carry greater weight with elected officials, landowner stakeholders, and banks (or other lending institutions) that may provide support for financing and can shorten the time it takes to initiate redevelopment.

For example, an intergovernmental agreement between Woodson Terrace, Edmundson, and St. John provides Woodson Terrace a place at the table concerning infrastructure redevelopment options at the I-70–Airflight interchange. At the interchange of I-70 and Natural Bridge Road east of the City, agreement and planning strategies related to future highway improvements, which may include design and construction of elevated portions of I-70 at Woodson Road, would require participation of the City of Berkley.

Step 2 – Getting Buy-in from Stakeholders

Due to the amount of under-utilized land along Natural Bridge Road south of I-70 and the opportunity for consolidation and reciprocal development, the City will need to seek cooperation and commitment from these landowners. Coordinating discussions and seeking an understanding, acknowledgement, and support of the vision are desirable. The goal is to gain their understanding and buy-in of willing to participate in redevelopment efforts that will increase density (through joint partner parking garages), increase land use, and encourage mixed used development. Developing and implementing design guidelines along the Natural Bridge is also essential to increase land values and access along Natural Bridge Road.

The condition of existing highway infrastructure and failure to provide safe, convenient access to adjacent property makes design changes paramount in the long-term development vision for this area. Without modifying existing infrastructure, it will be difficult to effect any real change in the City. The current highway layout violates one of the cardinal rules of development investment, accessibility. Stakeholders include, but may not be limited to the following:

- Lambert St. Louis Airport – an important participant in the visioning and participation of implementation strategies. Due to the locations of the airport and Woodson Terrace, improvements on the south side of I-70 may also impact and improve conditions on the

north side of the I-70. A new interchange at I-70 and Airflight is an example of adjacent stakeholders potentially benefiting from working together to received improved access.

- Lambert Military Installation – an important participant in the visioning and implementation strategies. Located along I-70 at the entrance to Lambert St. Louis Airport, any new highway planning and reconfiguration will affect this land. Military cooperation will be essential to long-term redevelopment options and viability.
- Fee owners of land along Natural Bridge Road frontage in the cities of Edmundson and Woodson Terrace – these owners hold the key to increased density and new development opportunities along the Natural Bridge Road frontage

Step 3 – Getting Buy-In from Public Representatives:

A portion of project funding related to the community vision will likely come from state and/or federal resources. The approach to seeking appropriate funding will relate to market-driven development options based on available private and municipal funding augmented by available state development tools and federal infrastructure funding. In order to establish clear lines of communication with state agencies and the support of federal entities, it is recommended that congressional representatives and senators be invited to understand the municipal vision and the need for their assistance. Representatives of various state departments should be contacted to help establish designed development districts and identify sources of funding.

Federal officials can also help in terms of finding funding for the reconfiguration of major infrastructure projects and long-term development concepts. Therefore, it is recommended that federal representatives be invited to become involved and kept apprised of progress.

The following officials are suggested.

State Senator: Maria Chappelle-Nedal (Senate District 14)

201 West Capitol Ave., Room 421
Jefferson City, MO 65101
(573) 751-4106
<http://www.senate.mo.gov>

Representative: Eileen McGeoghegan (District 077)

State House of Representatives
201 West Capitol Avenue, Room 116-1
Jefferson City, MO 65101
(573) 751-0855
Eileen.McGeoghegan@house.mo.gov
<http://www.house.mo.gov>

US Congressional District Representative: Todd Akin (District 2)

301 Sovereign Ct., Ste. 201
Ballwin, MO 63011
(314) 590-0029
117 Cannon House Office Bldg
Washington, DC 20515

(202) 225-2561

<http://www.akin.house.gov>

Senator Claire McCaskill

506 Hart Senate Office Building

Washington, DC 20510

(202) 224-6154

<http://www.mccaskill.senate.gov>

Senator Roy Blunt

260 Russell Senate Office Building

Washington, DC 20510

(202) 224-5721

<http://blunt.senate.gov/public/>

Step 4 – Getting Buy-in from Public Agencies

Agencies respect joint partnerships associated with redevelopment visioning. Buy-in from adjacent cities and local stakeholders that share common goals and expectations is encouraged at the federal level and demonstrates opportunities for more immediate change. By bringing public, municipal, and private entities together through a common and comprehensive vision, the City will be able to effectively present the vision to various agencies that control physical and jurisdictional aspects of the redevelopment process.

Agencies that need to know about the vision and participate as necessary include, but may not be limited to:

- East West Gateway Council of Governments
- St. Louis County Government
- Missouri Department of Transportation
- Metro (Bi-state Development Agency)
- Local, state, and federal political representatives of the people within the vision impact areas

Step 5 – Getting Buy-in from State Development Services

With the vision and partnership arrangements in place, the cultivation of contacts at the state level becomes important in order to understand existing legislative development tools and to cement relationships with the departments that administer funding to redeveloped communities.

The following departments lead funding efforts based on sound planning and viable, market-driven concepts. Funding does not usually come from one source but many, and is layered and designed to match projects with multiple funding sources. The following departments work with communities and developers to optimize state funding options.

Missouri Department of Economic Development

Division of Business and Community Services

Development Finance Team

301 West High Street, Room 770
P.O. Box 118
Jefferson City, MO 65102
(573)522-8004 Fax: 573-522-9462
<http://ded.mo.gov/>

Missouri Development Finance Board

Governor Office Building
200 Madison Street, Suite 1000
P.O. Box 567
Jefferson City, MO 65102
Contact: Finance Officer
(573) 522-4527 Fax: 573-526-4418
<http://www.mdfb.org/>

In summary, although the City of Woodson Terrace is in a great location, only in partnership with adjacent communities can it conceive a vision for economic development that will enhance the overall area, and position itself as a leader among its peers. By facilitating intergovernmental agreements and seeking political support for its development strategies, the City can remain a leader in the process and achieve its goals.

Development Strategies and Funding Options

The following development strategies and funding options are proposed as a guide to actual negotiations with various stakeholder groups and individuals.

- Area 1: Commercial property along Natural Bridge Road and its intersection with Woodson Road
- Area 2: Commercial property along Woodson Road between Stansberry on the north and Bataan on the south
- Area 3: Comprehensive development area shown under Consolidation of Market Strengths section of this chapter and encompassing areas 1 and 2 above.

Table 7-1 summarizes the concepts discussed here including the definition of short term and long-term development strategies based on existing conditions (short term) and infrastructure modification conditions (long term). These recommendations will need to be tempered by actual conditions when the City initiates discussions with stakeholders. There may be opportunities or constraints related to these recommendations that require redirection in thinking and planning. Therefore, these recommendations are general suggestions that may need to be modified.

TABLE 7-1: DEVELOPMENT STRATEGIES BY AREA

Project Location	Short-term Development	Long-term Development
<p><u><i>Area 1: Natural Bridge Road at or near Woodson Road</i></u></p> <p>POTENTIAL SHORT-TERM FUNDING</p> <ul style="list-style-type: none"> • Business Use Incentives for Large-Scale • Brownfield Redevelopment Program • Transit Development District (TDD) <p>POTENTIAL LONG-TERM FUNDING</p> <ul style="list-style-type: none"> • Rebuilding Communities Program • Community Investment District (CID) 	<ul style="list-style-type: none"> • Meet with land owners • Discuss vision and consolidation/reciprocal use of land • Discuss joint venture development of parking garages to free land for new development • Discuss new land use options and internal circulation • Finalize agreement for short and long-term development potential • Work with Metro to develop a bus terminal station and staging area for bus/shuttle transfers to airport and beyond 	<ul style="list-style-type: none"> • Same as Short Term • Work with land owners to increase density, develop more mixed use • Work with Department of Economic Development and Finance Board • Work with Metro to extend MetroLink from the airport to I-170 and south to Clayton • Work with MoDOT to redesign existing Highway 70 corridor and interchanges between Lindbergh Boulevard and I-170
<p><u><i>Area 2: Woodson Road between Stansberry and Bataan</i></u></p> <p>POTENTIAL SHORT-TERM FUNDING</p> <ul style="list-style-type: none"> • Neighborhood Improvement District (NID) 	<ul style="list-style-type: none"> • Meet with land owners • Meet with City of St. John seeking signage at St. Charles Rock Road and Woodson Road • Meet with City of Edmundson to seek participation in any discussion related to the interchange at Highway 70 and Natural Bridge Road (Pear Tree Lane) 	<ul style="list-style-type: none"> • Same as short term • Work to consolidate multiple parcels to create a joint venture development concepts that includes an assisted living complex for seniors, mixed use commercial/retail, and medical offices

IMPLEMENTATION AND FINANCE STRATEGY

<p>POTENTIAL LONG-TERM FUNDING</p> <ul style="list-style-type: none"> • Tax Incremental Financing (TIF) • HUD – ALCP Conversation to elderly • Housing units 	<ul style="list-style-type: none"> • Discuss vision and concepts for redevelopment of the existing small retail centers • Discuss owners level of interest in the participation of new land uses in the area • Work with owners to locate new companies willing to invest in assisted-living (senior) - and mixed use developments 	
<p><u><i>Area 3: Comprehensive Development Plan</i></u></p> <p>POTENTIAL SHORT AND LONG TERM FUNDING</p> <ul style="list-style-type: none"> • Community investment District (CID) 	<p style="text-align: center; opacity: 0.3; font-size: 48px; transform: rotate(-30deg);">DRAFT</p>	<ul style="list-style-type: none"> • Sign an intergovernmental agreement with the cities of Edmundson and St. John • Create a detailed development master plan illustrating consolidation, new development concepts, and land use density options • Provide a development agreement among land owners to solidify consolidation and redevelopment of commercial land along Natural Bridge Road and commercial/retail development along Woodson Road • Negotiate with agencies to agree to infrastructure needs and to commit funding for proposed changes • Seek support of state and federal politician with jurisdiction • Meet with private lenders • Finalize bond sale and management if appropriate to structured financing

Detailed Funding Options

Opportunities for state and federal funding are constantly changing as legislators create and eliminate options related to economic development potential. Therefore, the statutory funding options listed below will need to be verified as the City gets closer to cementing its redevelopment plan. Later options that may become available should be researched through the Missouri Department of Economic Development when implementation begins.

Brownfield Redevelopment Program

Purpose

Provide financial incentives for the redevelopment of commercial/industrial sites that are contaminated with hazardous substances and have been abandoned or underutilized for at least 3 years.

Authorization

Sections 447.700 to 447.718, RSMo

Locations

Statewide

Project Eligibility Criteria

- The applicant cannot be a party who intentionally or negligently caused the release or potential release of hazardous substances at the project.
- If the property is not owned by a public entity, the city or county must endorse the project.
- The project must be accepted into the “Voluntary Cleanup Program” coordinated by the Missouri Department of Natural Resources (DNR).
- The project must be projected by the Missouri Department of Economic Development (DED) to result in the creation of at least 10 new jobs or the retention of 25 jobs by a private commercial operation.

Program Benefits

- **Remediation Tax Credits**
DED may issue tax credits for up to 100 percent of the cost of remediating the project property. DED will issue 75 percent of the credits upon adequate proof of payment of the costs; the remaining 25 percent will not be issued until a clean letter has been issued by DNR. The tax credit may also include up to 100 percent of the costs of demolition that are not directly part of the remediation activities, provided that the demolition is on the property where the voluntary remediation activities are occurring, the demolition is necessary to accomplish the planned use of the facility where the remediation activities are occurring, and the demolition is part of a redevelopment plan approved by the municipal or county government and DED. The demolition may occur on an adjacent property if the project is located in a municipality which has a population less than 20,000 and the above conditions are otherwise met. The adjacent property shall independently qualify as abandoned or underutilized. The amount of the credit available for demolition not associated with remediation cannot exceed the total amount of credits approved for remediation including demolition required for remediation.

The tax credits can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 147 – Corporate franchise tax
- Ch. 148 –
 - Bank Tax
 - Insurance Premium Tax
 - Other Financial Institution Tax

These chapter can be foyuund under Missouri Revise Statutes Title X Taxation and Revenue <http://www.moga.mo.gov/STATUTES/STATUTES.htm#T10>.

The remediation tax credit’s special attributes:

- Carry forward 20 years
- Sellable or transferable

Funding Limits

The total state costs of the project tax credits must be less than the projected state economic impact of the project, as determined by DED. The amount of remediation tax credits issued must be the least amount necessary to cause the project to occur.

Application Procedure

An applicant must submit an application to DED for determination of eligibility and request for remediation tax credits. An application must also be submitted to the Department of Natural Resources (DNR) for participation in the Voluntary Cleanup Program. Acceptance into this program is a requirement of the Brownfield Redevelopment Program. Remediation that is performed prior to receipt of a written authorization for remediation tax credits from DED will not be eligible for tax credits and may jeopardize the project’s overall eligibility for the program. Applications may be submitted year-round. Each application is reviewed on a case-by-case basis.

Contact

Missouri Department of Economic Development
Division of Business and Community Services
301 West High Street, Room 770
P.O. Box 118, Jefferson City, MO 65102
Phone: 573-522-8004 Fax: 573-522-9462

Missouri Development Finance Board
Governor Office Building
200 Madison Street, Suite 1000
P.O. Box 567, Jefferson City, MO 65102
Contact: Finance Officer
Phone: 573-522-4527 Fax: 573-526-4418

Business Use Incentives for Large-Scale Development (BUILD)

Purpose

Provide a financial incentive for the location or expansion of large business projects. The incentives are designed to reduce necessary infrastructure and equipment expenses if a project can demonstrate a need for funding.

Authorization

Sections 100.700 to 100.850, RSMo

Locations

Statewide

Project Eligibility

An eligible industry in manufacturing, processing, assembly, research and development , agricultural processing or services in interstate commerce must invest a minimum of \$15 million; or \$10 million for an office industry (regional, national, or international headquarters; telecommunications operations; computer operations; insurance companies; or credit card billing and processing centers) in an economic development project; and create a minimum of 100 new jobs for eligible employees at the economic development project or a minimum of 500 jobs if the economic development project is an office industry or a minimum of 200 new jobs if the economic development project is an office industry located within a distressed community as defined in Section 135.530, RSMo. Ineligible: Retail, health, or professional services; intra-state relocations; or replacement facilities.

Program Benefits

The bonds may be used to finance public or private infrastructure to support the project or new capital improvements of the business at the project location. Bond proceeds may not be used for working capital, inventory, or other operating costs of the business or another entity.

This tax credit can be applied to:

- Ch. 143 - Income tax, excluding withholding tax
- Ch. 148 - Bank Tax, Insurance Premium Tax, Other Financial Institution Tax

This credit's special attributes:

- Refundable

Funding Limits

The amount of bonds to be issued will be determined by the DED and MDFB based on the need for funding to initiate the project, and limited to the state's economic benefit. The minimum bond issue is \$500,000.

Application Approval

The business must submit an application to DED and MDFB for review. Applications are due 15 business days prior to the first Monday of the month. DED and MDFB will review applications on a case-by-case basis.

Reporting Requirements

Businesses must report semi-annually to MDFB the number of new jobs, the total amount of salaries and wages paid to eligible employees and investment in capital improvements during the initial 3-year build out phase and annually for the term of the credits.

Special Program Requirements

The following conditions must be met for a project to be approved:

- **Sale of Bonds:** Unless otherwise approved by the board, the applicant will be required to purchase the bonds.
- **Cooperative Effort:** The political subdivisions benefiting from the project or other local entities must commit significant local incentives relative to their economic benefit compared to the state. Such incentives may include tax abatement, discounted utility fees, or others, to the extent allowed by law.
- **But-for Test:** The company may not start the project prior to MFDB approval of the application. This would include any public announcement, construction, or receipt of new machinery or equipment at the project site related to the new project. DED and MDFB must determine that the program is a material factor in the company's decision to initiate the project, and this is certified by the business.
- **Positive State Economic Impact:** The amount of new direct and indirect state taxes over an 8- to 15-year period, as calculated by DED, must exceed the total amount of incentives provided by the state.
- **Requirements:** New full-time (35+ hours per week) jobs in a new or expanding business (not including identical jobs filled by recalled workers, replacement jobs, or jobs which previously existed in the business) are considered to be "new jobs." The business or a related taxpayer cannot have employed them during the preceding 12 months. The wages for such employees must be above the average wage for the area.
- **Clawbacks:** In the event the business does not fulfill the commitments made regarding the number of new jobs or capital investment, the tax credits will be reduced proportionately. In the event the business relocates or reduces the operation below the minimum standards for new jobs or capital investment prior to the term of the bonds, the tax credits received prior to that time must be repaid in full.
- **Bond Purchase:** Since the MDFB cannot guarantee the bonds, the business will likely have to purchase the bonds.

Contact

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Missouri Development Finance Board
Governor Office Building
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Rebuilding Communities

Purpose

To stimulate business activity in Missouri's "distressed communities" by providing tax credits to eligible businesses that locate, relocate, or expand their business within a distressed community.

Authorization

Section 135.535, RSMo.

Location

Distressed communities only. For a list of cities and census block groups that are distressed communities, visit DED's Web site or call (573) 751-0717.

Eligibility

Businesses that **locate, relocate, or expand** their business within a distressed area or distressed Missouri community.

Eligibility Criteria

- Must have more than 75 percent of its employees at the facility in the distressed community.
- Must have fewer than 100 employees total at all facilities nationwide (before commencing operations or relocating).
- Primarily engaged in manufacturing, biomedical, medical devices, scientific research, animal research, computer software design or development, computer programming (including Internet, web hosting, and other information technology), telecommunications (wireless, wired or other), or a professional firm.

Categories of Business:

New or Relocating Businesses

Eligible new or relocating businesses may choose one of the 40 percent tax credits and the employees may receive the 1.5 percent Employee Tax Credit.

Existing Businesses

Eligible businesses already located in a distressed community may be eligible for the 25 percent Equipment Tax Credit. Existing businesses that double the number of full-time employees in the distressed community from the previous year may choose one of the 40 percent tax credits.

Tax Benefits Available:

40 Percent Income Tax Credit:

State tax credit based on 40 percent of the amount of state income tax owed by the business.

40 Percent Equipment Tax Credit:

State tax credit based on 40 percent of the amount of funds expended for computer equipment and its maintenance, medical laboratories and equipment, research laboratory equipment, manufacturing

equipment, fiberoptic equipment, high-speed telecommunications, wiring, or software development expense in the calendar year.

1.5 Percent Employee Tax Credit:

Employees of an eligible business may receive a tax credit against state individual income tax equal to 1.5 percent of their gross annual salary paid at the project facility. The business must receive one of the 40 percent tax credits each year for the employees to be eligible for this credit.

25 Percent Equipment Tax Credit:

State tax credit based on 25 percent of the amount of funds expended for eligible equipment in a taxable year that exceeds the average of the prior 2 years' expenditures for such equipment. Eligible expenditures are computer equipment and its maintenance, medical laboratories and equipment, research laboratory equipment, manufacturing equipment, fiberoptic equipment, high-speed telecommunications, wiring, or software development.

Program Benefits

The 40 percent Income Tax Credits and the 25 percent and 40 percent Equipment Tax Credits can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 147 – Corporate franchise tax
- Ch. 148 –
 - Bank tax
 - Insurance premium tax
 - Other financial institution tax

And have these special attributes:

- Carryback 3 years
- Carryforward 5 years
- Sellable or transferable

The 1.5 percent Individual Tax Credit can be applied to:

- Ch. 143 – Individual income tax

And has this special attribute:

- Sellable or transferable

Funding Limits

Program Limit:

- All credits: \$8 million/year
- 25 percent Equipment Tax Credits: \$750,000/year

Per-business Limit

- 40 percent Income Tax Credit: \$125,000/year
- 25 percent and 40 percent Equipment Tax Credits: \$75,000/year

Eligibility Period

- 40 percent Equipment Tax Credit: Year of commencement of operations plus three calendar years thereafter
- 40 percent Income Tax Credit: Three tax years after commencement of operations

- 1.5 percent Employee Tax Credit: Three tax years after commencement of operations

Approval Process

- New or relocating businesses should submit a pre-application to DED prior to commencing operations in the distressed community.
- Businesses applying for the 25 percent Equipment Tax Credit should submit a Pre-Application for each year that they intend to request tax credits.
- Applications for tax credits must be submitted to DED prior to February 15th of the calendar year following the year in which the credits were earned.
- Tax credits will be issued on a first-come, first-served basis.

Reporting Requirements

The "Tax Credit Accountability Act" reporting form must be submitted to DED by June 30 each year for 3 years following the year of the first issuance of tax credits. A business can only earn the 40 percent tax credits under this program for one eligibility period. No business can earn credits under this program if earning Missouri Quality Jobs, Enterprise Zone, Enhanced Enterprise Zone, Business Facility or Brownfield Jobs and Investment Tax Credits for the same project for the same tax period. If a project is eligible for more than one such program, the business must choose only one program.

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Transportation Development District

Purpose

A TDD may be created to act as the entity responsible for developing, improving, maintaining, or operating one or more "projects" relative to the transportation needs of the area in which the TDD is located. A TDD may be created by request petition filed in the circuit court of any county partially or totally within the proposed district. There are specific rules that provide filing procedures and content requirements of TDD creating petitions. The DED facilitates the creation and administration of a TDD.

Before beginning to build or fund any project, the TDD will submit the proposed project to the Missouri Highways and Transportation Commission for approval. If the proposed project is not intended to be part of the state highways or transportation system, the TDD will also submit its plans for approval by the local transportation authority that will become owner of the project. A "local transportation authority" may be any local public authority(s) or political subdivision(s) having jurisdiction over any transportation service, improvement, or infrastructure in which the TDD is located.

Typical Budget Items

A TDD serves to fund, promote, plan, design, construct, improve maintain, or operate one or more “projects” or to assist in such activity. Projects may include any:

- Street, highway, road, interchange, intersection, bridge, traffic signal light, or signage
- Bus stop, terminal, station, wharf, dock, rest area, or shelter
- Airport, river, or lake port, railroad, light rail, or other mass transit, and any similar or related improvement or infrastructure

Financial Resources

Funding of TDD projects may be accomplished through the creation of district-wide special assessments or property or sales taxes with a required majority vote or petition approval. Other funding sources requiring voter majority approval may include establishing tolls or fees for the use of the project. The TDD may also issue bonds, notes, and other obligations in accordance with the authority granted to the entity for such issuance.

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Community Improvement District

Purpose

A CID may be either a political subdivision or a not-for-profit corporation. CIDs are organized for the purpose of financing a wide range of public-use facilities and establishing and managing policies and public services relative to the needs of the district.

Organization

By request petition, signed by property owners owning at least 50 percent of the assessed value of the real property, and more than 50 percent per capita of all owners of real property within the proposed CID, presented for authorizing ordinance to the governing body of the local municipality in which the proposed CID would be located. Language contained in the petition narrative must include a 5-year plan describing the purposes of the proposed district, the services it will provide, the improvements it will make and an estimate of the costs of those services and improvements, and the maximum rates of property taxes and special assessments that may be imposed within the proposed district. Other information must state how the CID would be organized and governed, and whether the governing board would be elected or appointed. There are specific rules that provide the required elements of a CID petition, and the procedures for publication, public hearings, etc.

Supporting Organizations

Unlike an NID, a CID is a separate legal entity, and is distinct and apart from the municipality that creates the district. A CID is, however, created by ordinance of the governing body of the municipality in which the CID is located, and may have other direct organizational or operational ties to the local government, depending upon the charter of the CID.

Typical Budget Items and Responsibilities

A CID may finance new facilities or improvements to existing facilities that are for the use of the public. Such public-use facilities include convention centers, arenas, meeting facilities, pedestrian or shopping malls, and plazas

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Neighborhood Improvement District

Purpose

An NID may be created in an area desiring certain public-use improvements that are paid for by special tax assessments to property owners in the area in which the improvements are made. The kinds of projects that can be financed through an NID must be for facilities used by the public, and must confer a benefit on property within the NID.

Local Government/Voter Initiative

An NID is created by election or petition of voters and/or property owners within the boundaries of the proposed district. Election or petition is authorized by a resolution of the governing body of the municipality in which the proposed NID is located. Language contained in the petition narrative or ballot question must include certain information including, but not limited to a full disclosure of the scope of the project, its cost, repayment, and assessment parameters to affected property owners within the NID.

Typical Budget Items

1. Acquisition of property
2. Improvement of streets, sidewalks, crosswalks, and all related components
3. Drainage, storm and sanitary sewer systems, and service connections from utility mains, conduits, and pipes
4. Improvement of street lights and street lighting systems
5. Improvement of waterworks
6. Improvement of parks, playgrounds, and recreational facilities
7. Improvement of flood control works
8. Improvement of pedestrian and vehicle bridges, overpasses, and tunnels

9. Landscaping streets or other public facilities including improvement of retaining walls and area walls on public ways
10. Improvement of property for off-street parking

Responsibilities and Challenges

Public hearings concerning the specifics of the project, its costs, and other specific information pertinent to the project must be conducted prior to commencement of work on any project of the NID so that any written or oral objections may be considered.

The ability of Missouri's neighborhoods to establish NIDs for the purpose of improving their public use facilities for the enjoyment, convenience, safety, and common good of all citizens is an outstanding example of local economic development excellence. The Missouri Department of Economic Development has additional information available and strongly recommends retaining qualified professional consultation or assistance of counsel in the formation of a special district.

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Tax Increment Financing

Purpose

Local Tax Increment Financing (Local TIF) permits the use of a portion of local property and sales taxes to assist funding the redevelopment of certain designated areas within your community. Areas eligible for Local TIF must contain property classified as a blighted, conservation, or economic development area, or any combination thereof, as defined by Missouri Statutes.

Typical Budget Items

TIF may be used to pay certain costs incurred with a redevelopment project. Such costs may include, but are not limited to:

- Professional services such as studies, surveys, plans, financial management, legal counsel
- Land acquisition and demolition of structures
- Rehabilitating and repairing existing buildings onsite
- Building necessary new infrastructure in the project area such as streets, sewers, parking, or lighting
- Relocation of resident and business occupants located in the project area

Local Tax Increment Financing (TIF) Revenues

The idea behind Local TIF is the assumption that property and/or local sales taxes (depending upon the type of redevelopment project) will increase in the designated area after redevelopment, and a portion

of the increase of these taxes collected in the future (up to 23 years) may be allocated by your municipality to help pay certain project costs, partially listed above.

Responsibilities of the Governing Body of the Municipality and the Local TIF Commission

Missouri's TIF Act defines a municipality as an incorporated city, town, village, or county. The governing body of the municipality is required to establish a TIF commission, composed of certain members including representatives of other local taxing authorities within the redevelopment project area as defined by state statute. The municipality is also responsible for the approval of ordinances (or resolutions if a county) that establish a comprehensive redevelopment plan, and for approval of the specific TIF redevelopment project.

Responsibilities of the TIF commission are many, and may include working with the local government in creating the redevelopment plan and TIF redevelopment project parameters, holding required public hearings, preparing economic impact reports and revenue projections, blight studies, and other documents to justify the need for TIF and as required by state statutes governing Local TIF projects.

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Assisted-living Conversion Program (ALCP)

Purpose

To provide private nonprofit owners of eligible developments with a grant to convert some or all of the dwelling units in the project into an assisted-living facility (ALF) for the frail elderly

The facility must be licensed and regulated by the state (or if there is no state law providing such licensing and regulation, by the municipality or other subdivision in which the facility is located). ALFs are designed to accommodate frail elderly and people with disabilities who can live independently but need assistance with activities of daily living (such as eating, bathing, and grooming, and dressing and home management activities). ALFs must provide support services such as personal care, transportation, meals, housekeeping, and laundry.

Type of Assistance

Typical funding will cover basic physical conversion of existing project units, and common and services space. The ALCP provides funding for the physical costs of converting some or all of the units of an eligible development into an ALF, including the unit configuration, common and services space, and any necessary remodeling, consistent with HUD or the state's statute/regulations (whichever is more stringent). There must be sufficient community space to accommodate a central kitchen or dining facility, lounges, recreation, and other multiple-areas available to all residents of the project, or office/staff spaces in the ALF. Funding for the supportive services must be provided by the owners,

either directly or through a third party, such as Medicaid, SSI payments, state or area agency on aging, etc.

Eligible Grantees

Only private nonprofit owners of Section 202, Section 8 project-based (including Rural Housing Services' Section 515), Section 221(d)(3) Below Market Interest Rate, Section 236 housing developments that are designated primarily for occupancy by the elderly for at least 5 years are eligible for funding. A private nonprofit of a unused/underutilized commercial property is also eligible.

Eligible Customers

Eligible residents who meet the admissions/discharge requirements as established for assisted-living by state and local licensing, or HUD frailty requirements under 24 CFR891.205 if more stringent. The residents must be able to live independently but need assistance with activities of daily living (eating, bathing, grooming, dressing, and home management activities).

Application

Applicants must submit an application for funding, in response to the Notice of Funding Availability (NOFA) published in the Federal Register each fiscal year. Applicants that apply for the ALCP compete for program funds allocated to each individual multifamily hub office. Awards are generally announced in September.

Technical Guidance

The program is authorized under Section 202b of the Housing Act of 1959, as amended. HUD's Office of Multifamily Housing is responsible for administering the ALCP.

Contact

www.HUD.org