

## **BALLWIN TOWN CENTER REDEVELOPMENT AREA TIF PUBLIC HEARING**

Pursuant to the Real Property Tax Increment Allocation Redevelopment Act, Revised Statutes of Missouri Sections 99.800 through 99.865, as amended (the “TIF Act”), the purpose of this hearing shall be to determine if the Redevelopment Project is making satisfactory progress under the proposed time schedule contained within the Redevelopment Plan for completion of such Redevelopment Project pursuant to the TIF Act.

The Redevelopment Plan was presented to the City of Ballwin by Development Strategies on September 1, 1999.

The Plan objectives were:

- To eliminate or mitigate conditions that make the area detrimental to the public health, safety, or welfare and qualify the Redevelopment Area as a “conservation area” as defined by Section 99.805(1) of the Act and as described in Section 8.0 (“Findings”) of this Redevelopment Plan.
- To prevent recurrence or spread of the conditions which have caused the Redevelopment Area to qualify as, and remain, a Conservation Area.
- To enhance the public health, safety and welfare of the City by reducing traffic hazards and congestion and by improving and/or constructing roadways, property assembly, and other public improvements necessary to eliminate the potential conditions of blight.
- To encourage redevelopment of the Redevelopment Area through private investment to produce a long-term, orderly pattern of quality mixed-use retail, office, and service commercial uses in the Redevelopment Area.
- To enhance the tax base and the resulting tax revenues for the City and all other taxing districts within the Redevelopment Area.
- To provide an implementation and funding mechanism which will allow these objectives to be achieved and complement other community and economic development activities of the City.

To date, only the south Redevelopment Plan Area (RPA2), Sub-Area 2A, has been developed. The Ballwin Olde Towne Plaza retail center, comprising of approximately 288,000 square feet of retail and service oriented businesses, began opening in late 2001.

RPA2, Sub-Area 2B was removed from the TIF District after two unsuccessful solicitations for development. This action was initiated as a result of petition by the property owner.

A connector road was constructed to divert traffic from Manchester Road to both north and south peripheral roads.

A historic schoolhouse was relocated and has been restored.

### **Progress Report**

Initial projections of taxes to be captured by the TIF were higher than actual collections have been. Seven of the original thirteen tenants have closed or relocated out of the Olde Towne Plaza. Big Lots replaced Ultimate Electronics and an amusement venue, the Flying Spider, has replaced Steinmart. Both of these tenants generate lower sales tax revenues than did their predecessors. The space previously occupied by Homegoods remains vacant. On a positive note Texas Roadhouse has just opened in the space where Senor Pique previously operated and is expected to generate high sales.

Sales taxes received from Olde Towne Plaza have increased each year since 2012. Collections in 2016 are 30% higher than in 2012, in part due to the remittance by the County of TIF sales taxes collected under the Metro Parks tax, the Children's Service Fund tax and the Emergency Communications Commission tax. Taxes collected through April, 2017 are down 14% from the same period last year due to the loss of revenues from Steinmart, HomeGoods and Senor Pique.

PILOTs revenues have not been as high as projected. Each assessment year has found the owners appealing the valuation resulting in less taxes being available to use towards bond payments. Successful appeals in 2004, 2005, 2006 and 2008 resulted in chargebacks totaling \$383,758. PILOTs received in 2011 through 2016 are \$1 million dollars less than those collected in the previous five year period.

Because principal payments escalate each year, the decline in PILOTs has resulted in a shortage of funds to make bond payments despite the increase in sales taxes. In each of the last four years the TIF District has had to make an unscheduled draw against the debt service reserve in order to make the October 1 principal and interest bond payments. Another draw will be made in 2017. The TIF trustee values all available funds held for payments 45 days prior to each interest payment date. These funds are valued at the lower of their original cost or their fair market value (plus accrued interest). The reserve fund had been fully funded in 2012 at \$2,010,000 but currently has a balance of \$982,315.

The TIF Trust Indenture includes a provision that the City will transfer to the TIF Trustee the lesser of 35% of TIF sales tax revenues received by the City during the immediately preceding calendar year, less the amount of the same sales tax revenues generated with the Project Sub-Area 2A in the calendar year ending December 31, 1998 (base year), or \$250,000, on each March 15. The City has made the required contribution every year.

CITY OF BALLWIN, MO  
OLDE TOWNE PLAZA TENANTS

Beauty First Inc.	14862 Manchester Rd	Opened 6/10/02, Closed 12/31/11
Big Lots	14850 Manchester Rd	Opened 11/4/11
Check Into Cash	14840 Manchester Rd	Opened 5/16/05
Clarkson Eyecare Center	14842 Manchester Rd	Opened 3/1/04
EJ's Designer Shoe Outlet	14854 Manchester Rd	Opened 4/15/02, Closed 6/29/07
FedEx Kinko's	14834 Manchester Rd	Opened 9/1/02
Flying Spider Extreme Air Sports	14820 Manchester Rd	Opened 5/19/17
HomeGoods Inc	14880 Manchester Rd	Opened 3/24/02, Closed 4/30/17
iTechshark	14844 Manchester Rd	Opened 12/1/14
Lowe's Home Improvement	14810 Manchester Rd	Opened 3/8/02
Marshall's	14890 Manchester Rd	Opened 4/18/02
McAlister Deli	14848 Manchester Rd	Opened 8/8/02
Nextel Retail Store	14840 Manchester Rd	Opened 8/16/02, Closed 2/25/08
O'Charley's Inc	14870 Manchester Rd	Opened 4/23/02, Closed 11/05
Senor Pique's Mexican Restaurant	14870 Manchester Rd	Opened 2/08, Closed 1/15/17
Shoe Carnival	14858 Manchester Rd	Opened 2/27/13
Sport Clips	14838 Manchester Rd	Opened 8/2/02
Starbucks Corporation	14900 Manchester Rd	Opened 8/1/02
Steinmart	14820 Manchester Rd	Opened 10/15/01, Closed 11/16
Texas Roadhouse	14870 Manchester Rd	Opened 8/4/17
3 Day Blinds	14844 Manchester Rd	Opened 5/6/05, Closed 2/3/08
Ultimate Electronics	14850 Manchester Rd	Opened 12/10/01, Closed 3/30/11